

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

NORTHERN HOUSE SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

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NORTHERN HOUSE SCHOOL ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

Trustees / (Governors)

Michael Benson	Chair
Jean Carr	Vice Chair
David Ian Barker	CEO and Accounting Officer
Jon Rayman	
Seonaid Danziger	
Kevin Thompson	Chair of Finance & Estates
Phil Leivers	
Marshall Young	
Carolyn Woodman	Company Secretary

Senior Management Team:

David Ian Barker	CEO (Accounting Officer)
Gareth Preen	Finance and Business Manager (CFO)
Joanna Jones	Head Teacher (Oxford)
Jonathan Willis	Deputy Head Teacher (Oxford)
Trevor Scott	Head Teacher (Solihull)
Chris White	Deputy Head Teacher (Solihull)
Richard Minas	Assistant Head Teacher (Solihull)

Principal and registered office

Northern House School Academy Trust, South Parade, Summertown, Oxford, OX2 7JN

Company registered number

08140768 (England and Wales)

Independent auditors

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds TSB, PO Box 1000, BX1 1LT

Solicitors

Blake Morgan, West Way, Oxford, OX2 0FB

Responsible Officer/Assurance Officer

Majinder Bhogal, School Financial Services, 1 Providence Place, West Bromwich, B70 9LD

**NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 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 two special academies in England. Its academies have a combined pupil capacity of 166 places which are mainly commissioned through the respective local authority.

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 Northern House School Academy Trust Limited are also the Directors of the charitable company for the purposes of company law. The Charitable Company is known as Northern House School Academy Trust.

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

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The insurance is purchased through the government's RPA scheme.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in accordance with the Articles and are subject to retirement after four years. They are, however, eligible for re-appointment at the meeting at which they retire, with the exception of the Accounting Officer.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience and where necessary induction will provide training on charity, education, legal and financial matters. All Trustees of the Academy Trust are provided with access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their roles as Trustees. The Academy Trust will also perform an annual skills audit of Trustees. Where any gaps are identified, training courses are offered to address these issues.

**NORTHERN HOUSE SCHOOL ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Organisational Structure

Working closely with the CEO, the Trustees are responsible for:

- establishing the Academy's strategies
- maintaining the overall framework of policies and procedures within which the Academy operates
- monitoring all aspects of the Academy's performance

In other words, the Trustees help the Academy Trust maintain a long term focus whilst challenging and supporting the CEO and the Local Governing Bodies on their shorter term goals and plans.

The day to day management of the Academy is very much the responsibility of the individual school Headteachers and his/her Senior Management Team.

The Local Governing Bodies support and challenge the respective Headteachers in order to drive improvements and achieve various local key performance targets.

The individual schools are supported by a Central Support Function, working within the Trust, which is led by the CEO and CFO. Areas of support include Finance, HR and Governance.

The CEO is the Academy Trust's Accounting Officer.

The CFO has direct access to the Finance and Estates Committee as well as to the Chairperson.

Related Parties and other Connected Charities and Organisations

On the 16th December 2014 Oaklands School was converted to Northern House School (Solihull). Prior to this date, 1st September 2014 to 15th December 2014, Northern House School Academy Trust was managing all activities of the school prior to conversion, with it being known as Northern House School (Solihull) from the 1st September 2014.

Northern House School Academy Trust was approached by the DfE to sponsor a further school, New Park School, and is currently in the process of converting this school. The Trust is in possession of an Academy Order in respect of this school and has received pre-opening sponsorship funding.

In addition to this the Trust has been approached by the DfE to sponsor a PRU in Wolverhampton. The Trust is currently consulting with the PRU's management board.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust currently offers places to primary and secondary school aged children who have found maintaining a place in a mainstream school difficult. This breakdown usually occurs because the referring mainstream school finds that the child's behavioural difficulties made it incompatible with the education of others on its roll.

The Academy's aim is to ensure that these children receive a broad and balanced education, making up lost academic ground to the extent that each child is able. When appropriate, the Trust works with mainstream schools to arrange gradual re-integration of its pupils, though in many cases, the pathway through special education settings continues for many years.

**NORTHERN HOUSE SCHOOL ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Objectives, Strategies and Activities

- Education
 - To advance the education of the pupils, to advance the education of the community and to otherwise benefit the community as per the articles of association.
 - Maintain a safe environment for pupils through safeguarding practices and meeting health and safety requirements.
 - Ensure that class-based teachers visit mainstream schools to see outstanding mainstream practice in action so that curriculum delivery in the Academy takes informed account of current mainstream practices, so assisting successful re-integration of its pupils
 - Ensure pupils are given many opportunities to learn alongside their mainstream peers through activities such as clubs, sports, musical performances, cultural events, trips and residential visits, while prioritizing in school the importance of English and Maths within the context of a differentiated, engaging curriculum.
 - Teach fundamental British values in the Trust's schools; our Academy espouses these values and actively promotes the concepts of justice, equality, fairness and respect for differences - whether they be differences of race, religion, gender, age or sexual orientation.
- Trust
 - To show evidence of high performing and consistent leadership and management throughout the Trust
 - Explore other schools seeking sponsorship and proactively work with the DfE in offering sponsorship to suitable schools
 - Relocate financial activities from Northern House School (Oxford) to Northern House School (Solihull), implementing new financial systems (SAGE50) in the process
 - Ensure CEO and CFO regularly visit each school in order to provide both strategic and operational support.
- Employees
 - Ensure, through appropriate wellbeing and risk management techniques, that the safety and welfare of staff are paramount, fulfilling Duty of Care arrangements of the Trustees and enabling staff to feel able and confident enough to provide an outstanding Teaching and Learning Environment.
 - Provide comprehensive CPD for all staff in order for them to meet their objectives and fulfil their responsibilities.

Public Benefit

The Academy Trust has various letting schemes in place to allow appropriate community groups to access its facilities.

The Trust has run successful parenting groups as well as supporting schemes for disadvantaged children throughout the year.

The Trust has conducted a number of workshops on site during school hours for professionals in order to demonstrate best practice when seeking to meet the needs of pupils with profound and complex Social, Emotional and Mental Health (SEMH) needs. The Trust's Integration and Outreach team also provides advice and support to mainstream colleagues within Oxfordshire in order to ensure a smooth transition of its pupils into a mainstream setting or into a specialist secondary setting.

The Trustees have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

**NORTHERN HOUSE SCHOOL ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

STRATEGIC REPORT

Achievements and performance

- Northern House School (Oxford) can pride itself on the many ways in which its provision can be described as 'outstanding'.
- Received a number of voluntary donations in order to develop community work.
- Through use of data target resources in order to advance the education of pupils, in particular those Pupil Premium Children, so closing the gap in attainment.
- The pupils continue to enjoy very high quality teaching, with almost all those lessons observed by senior management being rated 'good' or 'outstanding'.
- All our pupils present with behavioural difficulties. Nevertheless, visitors to our schools invariably comment on how peaceful the atmosphere is, how polite the children are and how well they conduct themselves in lesson time. Feedback from trips outside school and from residential visits often indicates how well behaved our pupils are outside school.
- Reducing instances of malicious damage at Northern House School (Solihull), where prior to sponsorship, operating as Oaklands School (under local authority control) it was subject to exceptional levels of chargeable damage and experienced extreme difficulties in relation to behaviour management.
- Successfully established a new head office in Solihull, migrating required information from SAP to SAGE and rolling out new policies and procedures.
- Established a range of new staff related policies and procedures, including Trust Wide HR Policies, Staff Handbook, Health and Safety Policies, Pay Policies.
- Successfully converted Oaklands to Northern House School (Solihull)
- Supported Wolverhampton City Council with the appointment of a new Headteacher at New Park School.
- Publicising, through school website, all Trustee pecuniary interests, prior to national requirement to do so.

Key Performance Indicators

Key Financial Performance Indicators Include;

- Maintain sufficient cash reserves to fund one month's projected expenditure;
- Maintain solvency
- To continually review, strategically and operationally, all resources expended or planned.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. However, given that almost all the Trust's income derives from central and local government, viability rests in part with funding levels over which the Trust has no control. With this caveat, the Trust 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.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

FINANCIAL REVIEW

The financial statements have been prepared in accordance with current statutory requirements.

Most of the Academy's income in the financial year ending 31 August 2015 was obtained from the EFA and the respective Local Authorities for commissioned places.

The Academy has also received DfE pupil premium awards based on the number of children on the schools' rolls entitled to free school meals, an indicator of deprivation.

In addition to this, the Academy received sponsorship funding to support the conversion of New Park to Northern House School Academy Trust. All these are reflected in the accounts as part of 'restricted income'.

The Academy has generated a small sum of unrestricted income and recognizes that this is an area for growth and development in the future.

Reserves Policy

The Trustees have continued their prudent approach to financial planning, given the uncertainty surrounding funding in the immediate future. It is currently carrying forward a surplus that would cover more than one month's expected expenditure. This will act as a cushion against any unexpected falls in income and protect the Academy against any cash flow difficulties that may arise from delays in payment of due funds.

Furthermore, the Trustees have looked to increase reserves during the past year in order to provide a cushion over the next few years during times of standstill funding.

The Trustees operate to a three year budget planning cycle, taking any corrective action needed where financial sustainability may cause concern.

At 31 August 2015 the total funds comprised:

Unrestricted	£84,664
Restricted: Fixed asset funds	£15,728,548
GAG	£237,194
Pension reserve	£(1,111,000)
Other	£473,447
	<u>£15,412,853</u>

Investment Policy

Funds are currently held in low interest high street bank accounts. There are no immediate plans for any significant investments.

**NORTHERN HOUSE SCHOOL ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Principal Risks and Uncertainties

The principal risks facing the Academy are:

- Reputational risk – mitigated by the consistent adherence to sound policies and procedures, surrounding pupil behaviour, safety and academic performance.
- Performance risk – mitigated by careful target setting, close monitoring of progress and intervention strategies;
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, unbudgeted major capital repairs, uncertainty in respect of the PFI at Northern House School (Solihull) and the true financial impact of this, or an increase in central costs following and during future conversion and trust expansion. The risks presented here are mitigated by prudent budgeting, three year financial planning, seeking external accounting support, developing a building maintenance plan, regular budget monitoring and timely remedial action.
- Risks associated with personnel – mitigated by sound performance management processes, absence management systems, comprehensive policies and procedures to cover potential problem areas, support sought from specialised external support and keeping abreast of national issues regarding staff (both within the educational sector and external to it)
- Political Risk – high dependence on government funding ensures an ongoing need to be aware of government agenda and potential impact on areas such as education, safeguarding and funding.

The Academy Trust practices through its Board, its governing bodies and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reviewed until the risk is adequately mitigated.

The Board and its governing bodies accept managed risk as an inevitable part of its operations but maintain an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board, whilst more minor risks are dealt with by local governing bodies and senior officers.

PLANS FOR FUTURE PERIODS

Northern House School Academy Trust currently has an academy order in relation to New Park School in Wolverhampton. The Trust is currently working with the DfE and Wolverhampton City Council on this school's conversion.

The Trust is also seeking to expand its provision further and develop a mix of special school and mainstream schools provided that this action meets the aims of the Trust and the needs of the schools.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

PLANS FOR FUTURE PERIODS (continued)

Other medium to longer term objectives will include;

- Maintain a financial surplus and continue as a Going Concern;
- Continue to improve educational standards;
- Expansion of the Northern House School Academy Trust, supporting other schools that require assistance;
- Explore the potential of opening residential provisions at both Northern House School (Solihull) and at Northern House School (Oxford);
- Explore possible new sites for Northern House School (Oxford) which is constrained by limited outdoor space;
- Minimise exposure of risk to the Trust and where not possible mitigate such risks through appropriate measures.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held on behalf of others.

Auditor

In so far 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.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 16 December 2015 and signed on the board's behalf by:

Michael Benson
Chair of Trustees

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Northern House School Academy Trust Limited 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 Trustees have delegated the day-to-day responsibility to the CEO, 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 Northern House School Academy Trust and the Secretary of State for Education. The CEO is 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:

	Meeting 1 10/2014	Meeting 2 11/2014	Meeting 3 03/2015	Additional 04/2015	Meeting 4 06/2015
Mike Benson	P	P	P	P	P
Jean Carr	P	P	P	P	P
Jon Rayman	P	P	P	P	P
Kevin Thompson	P	P	P	P	P
Seonaid Danziger	P	P	P	A	P
Ian Barker	P	P	P	P	P
Phil Leivers	P	P	P	A	P
Marshall Young			P	P	P

P = Present A = Absent (apologies received and accepted)

02.03.15 - Marshall Young appointed as a Director

08.04.15 - Extraordinary meeting (Additional)

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

GOVERNANCE (continued)

Finance and Estates Meeting Summary

The Finance and Estates Committee is a sub-committee of the main Board of Trustees. Its purpose is to agree the staffing structure for the year, agree the financial plans and associated budgets, review risk, review Responsible Officer reports, monitor the school's accounts, including the work of the CEO and CFO, and keep the main Board of Trustees properly informed of the Academy's financial position.

	1 09/2014	2 11/2014	3 02/2015	4 04/2015	5 06/2015
Ian Barker	P	P	P	P	P
Kevin Thompson	P	P	P	P	P
Jean Carr	P	P	A	P	P
Mike Benson	P	P	P	P	A
Seonaid Danziger	P	P	P	A	A
Gareth Preen	P	P	P	P	P

P = Present A = Absent (apologies received and accepted)

REVIEW OF VALUE FOR MONEY

As accounting officer the CEO 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 outcome achieved in return for the taxpayer resources received.

The accounting officer considers how the Trusts' use of its resources has provided good value for money during each academic year, and reports to the 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:

- centralising all invoice processing through a single Trust finance system;
- putting in place systems to share staff and good practices across the Trust's schools, irrespective of the distance. This includes, but is not limited to an experienced Music Teacher working across the schools so not only saving salary costs, but enabling the sharing of good practice;
- outsourcing ICT support to local companies, utilising benchmarking to ensure companies are competitive and offer good services, whilst maintaining close community links;
- benchmarking other bought in services, such as payroll providers, in order to deliver improved services at value for money;
- investing in ICT in order to reduce downtime and improve teaching and learning, which for Northern House School (Solihull) has contributed to improved GCSE pass rates;
- appointing new staff on 32.5 hour contracts, rather than 37 hour contracts at Northern House School (Solihull);
- developing in-house Team Teach Tutors which has not only saved the school money, as we do not need to buy in Tutors for training, but has also developed into income generation. This has also improved the safety, morale and standards of physical management within the schools as staff now receive more frequent training, and this ongoing support makes them feel more confident.

**NORTHERN HOUSE SCHOOL ACADEMY TRUST
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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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 Northern House School Academy Trust Limited for the period 1 September 2014 to 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 period 1 September 2014 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 of 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 estates committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Sandwell MBC taking on the role of responsible officer (assurance officer) from 1 September 2014, with reports being received from Majinder Bhogal

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the Responsible Officer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Responsible Officer has discharged these duties and no significant issues were identified.

Following historical Responsible Officer reports, pre September 2014, the Trust has implemented SAGE Line 50 and moved all financial processing to Northern House School (Solihull). Northern House School (Solihull) now acts as the Head Office in terms of financial processing.

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

With Northern House School (Solihull) being a new academy it received a visit from Deloitte. This visit was due to the EFA choosing, at random, Northern House School (Solihull) as a new academy. This random testing is in place to provide assurance to the public in the absence of a statutory external audit. This process was called an Assurance Visit and as a result the Summer Term Responsible Officer visit was not undertaken, due to Deloitte undertaking a range of similar testing.

REVIEW OF EFFECTIVENESS

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Estates 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 16 December 2015.

Michael Benson
Chair of Trustees

David Ian Barker
Accounting Officer

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Northern House School 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. 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.

David Ian Barker
Accounting Officer

16 December 2015

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Northern House School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic 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 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 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 16 December 2015 and signed on its behalf by:

Michael Benson
Chair of Trustees

David Ian Barker
Accounting Officer

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHERN HOUSE SCHOOL ACADEMY TRUST

We have audited the financial statements of Northern House School Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, 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 Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHERN HOUSE SCHOOL 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 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.

Bianca Silva ACA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

17 December 2015

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NORTHERN HOUSE SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 July 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 Northern House School Academy Trust during the year 1 September 2014 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 Northern House School Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Northern House School Academy Trust 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 Northern House School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF NORTHERN HOUSE SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Northern House School Academy Trust's funding agreement with the Secretary of State for Education dated 01 September 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 1 September 2014 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.

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NORTHERN HOUSE SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

APPROACH (continued)

- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- Making enquiries of the Accounting Officer;
- evaluating the internal control procedures and reporting lines, and testing as appropriate.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

17 December 2015

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Transfer from Local Authority on conversion	2	-	(145,695)	8,092,000	7,946,305	-
Voluntary income	2	-	341	-	341	449
Activities for generating funds	3	47,152	20,624	-	67,776	47,231
Investment income	4	720	-	-	720	418
Incoming resources from charitable activities	5	-	3,950,999	25,848	3,976,847	1,900,076
TOTAL INCOMING RESOURCES		47,872	3,826,269	8,117,848	11,991,989	1,948,174
RESOURCES EXPENDED						
Charitable activities	7	12,985	3,546,993	202,867	3,762,845	1,989,842
Governance costs	8	-	19,250	-	19,250	10,805
TOTAL RESOURCES EXPENDED	6	12,985	3,566,243	202,867	3,782,095	2,000,647
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		34,887	260,026	7,914,981	8,209,894	(52,473)
Transfers between Funds	18	-	(549)	549	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		34,887	259,477	7,915,530	8,209,894	(52,473)
Actuarial gains and losses on defined benefit pension schemes		-	-	-	-	(140,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		34,887	259,477	7,915,530	8,209,894	(192,473)
<i>Total funds 1 September 2014</i>		49,777	(642,326)	7,795,508	7,202,959	7,395,432
TOTAL FUNDS 31 AUGUST 2015		84,664	(382,849)	15,711,038	15,412,853	7,202,959

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 43 form part of these financial statements.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08140768

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	15		15,728,548		7,724,137
CURRENT ASSETS					
Debtors	16	105,192		33,581	
Cash at bank		970,445		348,274	
		<u>1,075,637</u>		<u>381,855</u>	
CREDITORS: amounts falling due within one year	17	<u>(280,332)</u>		<u>(106,033)</u>	
NET CURRENT ASSETS			795,305		275,822
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	24		<u>(1,111,000)</u>		<u>(797,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			15,412,853		7,202,959
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	710,641		154,674	
Restricted fixed asset funds	18	15,728,548		7,795,508	
		<u>16,439,189</u>		<u>7,950,182</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(1,111,000)</u>		<u>(797,000)</u>	
Total restricted funds			15,328,189		7,153,182
Unrestricted funds	18		<u>84,664</u>		<u>49,777</u>
TOTAL FUNDS			15,412,853		7,202,959

The financial statements were approved by the Trustees, and authorised for issue, on 16 December 2015 and are signed on their behalf, by:

Michael Benson
Chair of Trustees

David Ian Barker
Accounting Officer

The notes on pages 22 to 43 form part of these financial statements.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	638,086	40,446
Returns on investments and servicing of finance	21	720	418
Capital expenditure and financial investment	21	(89,430)	15,357
Cash transferred on conversion to an academy trust	23	72,795	-
INCREASE IN CASH IN THE YEAR		622,171	56,221

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase in cash in the year	622,171	56,221
MOVEMENT IN NET FUNDS IN THE YEAR	622,171	56,221
Net funds at 1 September 2014	348,274	292,053
NET FUNDS AT 31 AUGUST 2015	970,445	348,274

The notes on pages 22 to 43 form part of these financial statements.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 and include grants from the Education Funding Agency and Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 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.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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

Charitable activities are costs incurred in the Academy Trust's educational operations.

Governance costs 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 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 Trust 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.

1.6 Tangible fixed assets and depreciation

All tangible fixed assets costing more than £5,000 are capitalised at cost 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 are 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.

The cost of tangible fixed assets transferred on conversion to Academy Trust status is stated as follows:

- land and buildings at their depreciated replacement cost based on a professional valuation;
- other assets at their depreciated value as at the date of conversion.

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.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets other than leasehold land, 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 leasehold property	-	2% per annum
Equipment	-	20% per annum
Computer equipment	-	33% per annum

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.8 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.

1.9 Pensions

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 24, 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 the 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 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.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.10 Conversion to an academy trust

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

Freehold land and buildings transferred on conversion from Oaklands School and PRU have been valued at estimated depreciated replacement cost and other assets and liabilities transferred from the predecessor school to the academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their estimated depreciated replacement cost/fair value is in accordance with the accounting policies set out for the academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income. The amounts have been analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

1.11 PFI contract

The buildings used by Northern House Solihull were constructed under a Private Finance Initiative (PFI) Contract between the Metropolitan Borough of Solihull and a private contractor. The project was completed prior to the school's conversion to academy status. On conversion, the Academy Trust has entered into a Schools Agreement with the Local Authority which transfers the Local Authority's main obligations under the PFI Contract to the Academy Trust. The PFI Contract is due to end on 21 July 2035.

PFI Contract payments

The Academy Trust is responsible for the revenue costs of maintaining the facilities. The payments made to the Local Authority in respect of the PFI Contract unitary charge relating to these revenue costs are therefore expensed to the Statement of financial activities in the period to which they relate.

Land and buildings

The land and buildings are leased to the Academy Trust by the Local Authority on a long (125 year) lease. As the Academy Trust takes on the risks and rewards associated with the land and buildings, including the long term maintenance of the property once the PFI Contract has ended, the land and buildings are capitalised as fixed assets on the Academy Trust's balance sheet at valuation using the depreciated replacement cost basis. These assets are then depreciated over their useful economic life.

Other assets

Other assets under the PFI Contract, for example fixtures and fittings, transfer to the Local Authority at the end of the PFI Contract and then to the Academy Trust under the Schools Agreement. The basis of the Schools Agreement is that at the point of transfer, the assets will be "as new".

As the Academy Trust does not take on significant risk in respect of these assets during the PFI Contract term these assets are not recorded in the balance sheet until the replacement assets are transferred to the Academy Trust by the Local Authority at the end of the PFI Contract.

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Transfer from Local Authority on conversion	-	7,946,305	7,946,305	-
Transfer on conversion	-	7,946,305	7,946,305	-
Donations	-	341	341	449
Voluntary income	-	7,946,646	7,946,646	449

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Catering income	6,010	-	6,010	5,674
Other income	41,142	20,624	61,766	41,557
	47,152	20,624	67,776	47,231

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Bank interest receivable	720	-	720	418

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Academy's educational operations	-	3,976,847	3,976,847	1,900,076

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,475,460	1,475,460	933,020
Pupil premium	-	132,358	132,358	62,549
PE teacher grant	-	16,753	16,753	8,410
Academy sponsorship	-	150,000	150,000	150,000
Devolved formula capital	-	11,848	11,848	15,357
Other DfE income	-	25,000	25,000	-
	-	1,811,419	1,811,419	1,169,336
Other government grants				
Top up funding	-	1,330,400	1,330,400	725,415
Other LA income	-	14,000	14,000	5,325
LA management fee	-	821,028	821,028	-
	-	2,165,428	2,165,428	730,740
	-	3,976,847	3,976,847	1,900,076

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Direct costs	2,419,330	166,773	473,885	3,059,988	1,593,338
Support costs	312,724	95,482	294,651	702,857	396,504
Charitable activities	2,732,054	262,255	768,536	3,762,845	1,989,842
Governance	-	-	19,250	19,250	10,805
	2,732,054	262,255	787,786	3,782,095	2,000,647

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. CHARITABLE ACTIVITIES

	Total funds 2015 £	<i>Total funds 2014 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	2,419,330	1,322,434
Depreciation	202,867	74,276
Pension income	17,000	-
Staff development	24,477	14,547
Technology costs	34,801	32,007
Educational supplies	301,922	97,062
School trips expenditure	39,175	18,194
Staff travel	973	15,341
Examination fees	1,748	-
Other direct costs	17,695	19,477
	<u>3,059,988</u>	<u>1,593,338</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	312,724	165,930
Pension finance cost	8,000	21,000
Staff development	13,637	-
Recruitment and support	12,052	3,749
Catering supplies	19,035	17,591
Maintenance of premises and equipment	32,046	15,128
Cleaning	4,624	1,577
Energy	49,951	23,292
Rent payable	-	5,518
Rates	8,701	1,244
Administrative supplies	30,751	10,399
Legal and professional	64,416	67,868
Non staff related insurance	8,921	21,218
Other support costs	48,632	41,990
PFI charges	89,367	-
	<u>702,857</u>	<u>396,504</u>
	<u><u>3,762,845</u></u>	<u><u>1,989,842</u></u>

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Professional fees	-	-	-	1,060
Audit fees	-	12,000	12,000	7,000
Accountancy fees	-	6,970	6,970	2,455
Governance - Trustees expenses reimbursed	-	280	280	290
	<u>-</u>	<u>19,250</u>	<u>19,250</u>	<u>10,805</u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	202,867	74,276
Auditors' remuneration	12,000	7,000
Auditors' remuneration - non-audit fees	6,970	3,000
Operating lease rentals: - other operating leases	9,152	2,542
	<u>9,152</u>	<u>2,542</u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,123,347	1,219,715
Social security costs	151,873	88,243
Other pension costs (note 24)	340,294	180,406
	<u>2,615,514</u>	<u>1,488,364</u>
Supply teacher costs	116,540	-
	<u>2,732,054</u>	<u>1,488,364</u>

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

10. STAFF (continued)

b. Staff numbers

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

	2015	<i>2014</i>
	No.	<i>No.</i>
Teachers	27	<i>20</i>
Administration and support	44	<i>21</i>
Management	4	<i>3</i>
	<hr/> 75 <hr/>	<hr/> <i>44</i> <hr/>

c. Higher paid staff

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

	2015	<i>2014</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	2	<i>0</i>
In the band £80,001 - £90,000	1	<i>1</i>
	<hr/> 1 <hr/>	<hr/> <i>1</i> <hr/>

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2015, pension contributions amounted to £30,498 (2014: £11,488).

NORTHERN HOUSE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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:

	2015	<i>2014</i>
	£	£
I Barker (CEO)	85,000-90,000	<i>80,000-85,000</i>
I Barker employer's pension	10,000-15,000	<i>10,000-15,000</i>

Remuneration disclosures for trustees who resigned prior to 1 September 2014 have not been reflected in these financial statements.

During the year, one Trustee received benefits in kind totalling £3,369 (2014 - one trustee, £475).

During the year ended 31 August 2015, expenses totalling £280 (2014 - £290) were reimbursed to one Trustee (2014 - one).

12. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Chief Executives office
- Central finance team
- HR support
- Company secretarial support
- Governance costs
- Curriculum support

The Academy Trust charges a flat management fee for these services, as follows:

	2015
	£
Northern House School Oxford	122,675
Northern House School Solihull	122,675
	<hr/>
Total	245,350
	<hr/> <hr/>

NORTHERN HOUSE SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

13. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust entered into the Department for Education's Risk Protection Arrangement in September 2014. This protects 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 for each and every loss and in the aggregate per academy whose academy trust is a member. The cost for the year ended 31 August 2015 is not separately identifiable.

Prior to September 2014, and in accordance with normal commercial practice, the academy 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 £10,000,000 on any one claim and the cost for the period ended 31 August 2014 was £1,895.

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

14. PENSION FINANCE COST

	2015 £	2014 £
Expected return on pension scheme assets	52,000	38,000
Interest on pension scheme liabilities	(77,000)	(59,000)
	(25,000)	(21,000)

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Equipment £	Computer equipment £	Total £
Cost				
At 1 September 2014	7,824,000	10,559	36,013	7,870,572
Additions	-	23,100	74,668	97,768
Transfer on conversion	8,092,000	-	17,510	8,109,510
	15,916,000	33,659	128,191	16,077,850
Depreciation				
At 1 September 2014	120,560	4,224	21,651	146,435
Charge for the year	166,773	5,274	30,820	202,867
	287,333	9,498	52,471	349,302
Net book value				
At 31 August 2015	15,628,667	24,161	75,720	15,728,548
At 31 August 2014	7,703,440	6,335	14,362	7,724,137

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

15. TANGIBLE FIXED ASSETS (continued)

Assets transferred on the conversion of Oaklands have been included at the depreciated replacement cost.

16. DEBTORS

	2015	2014
	£	£
Other debtors	3,971	-
Prepayments and accrued income	50,034	949
VAT recoverable	51,187	32,632
	105,192	33,581
	105,192	33,581

17. CREDITORS:
Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	176,335	13,532
Other taxation and social security	48,366	26,884
Other creditors	24,920	20,891
Accruals and deferred income	30,711	44,726
	280,332	106,033
	280,332	106,033

Deferred income

Deferred income at 1 September 2014		3,887
Resources deferred during the year		5,748
Amounts released from previous years		(3,887)
		5,748
Deferred income at 31 August 2015		5,748

Deferred income relates to universal infant free school meals income.

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18. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
Unrestricted funds					
General Fund	49,777	47,872	(12,985)	-	84,664
Restricted funds					
GAG	-	1,475,460	(1,237,717)	(549)	237,194
Pupil premium	-	132,358	(132,358)	-	-
Other DFE/EFA grants	-	16,753	(16,753)	-	-
LA top up	-	1,330,400	(1,330,400)	-	-
MAT sponsorship	83,022	175,000	(151,692)	-	106,330
LA Management fee	-	821,028	(598,358)	(222,670)	-
Funds from predecessor school Oxford	71,652	-	-	-	71,652
Funds from predecessor school Solihull	-	72,795	-	222,670	295,465
Other restricted	-	20,965	(20,965)	-	-
Pension reserve	(797,000)	(236,000)	(78,000)	-	(1,111,000)
	<u>(642,326)</u>	<u>3,808,759</u>	<u>(3,566,243)</u>	<u>(549)</u>	<u>(400,359)</u>
Restricted fixed asset funds					
Capital expenditure from GAG	11,180	-	-	(11,180)	-
Transfer on conversion	7,712,957	8,109,510	-	(15,822,467)	-
Devolved formula capital on conversion	49,449	-	-	(49,449)	-
Devolved formula capital	21,922	11,848	-	(33,770)	-
Local authority capital income	-	14,000	-	(14,000)	-
Fixed asset fund	-	-	(202,867)	15,931,415	15,728,548
	<u>7,795,508</u>	<u>8,135,358</u>	<u>(202,867)</u>	<u>549</u>	<u>15,728,548</u>
Total restricted funds	<u>7,153,182</u>	<u>11,944,117</u>	<u>(3,769,110)</u>	<u>-</u>	<u>15,328,189</u>
Total of funds	<u>7,202,959</u>	<u>11,991,989</u>	<u>(3,782,095)</u>	<u>-</u>	<u>15,412,853</u>

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

- GAG (General Annual Grant) to be spent in accordance with funding agreement terms;
- LA management fee relates to income paid to the trust in respect of Northern House Solihull prior to that schools conversion to an Academy school.
- Funds on conversion to be spent on Academy educational purposes;
- Restricted fixed asset funds are amounts invested in assets and capital grants to be spent on future capital projects.
- General unrestricted funds are spent at the discretion of the Governors

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents

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18. STATEMENT OF FUNDS (continued)

amounts capitalised during the period.

The transfer between the LA management fee fund and the Funds from predecessor school Solihull represent the surplus held within the Academy Trust at the time of conversion of Northern House Solihull.

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.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Northern House School Oxford	463,812
Northern House School Solihull	225,162
Academy sponsorship grant	106,331
	795,305
Total before fixed asset fund and pension reserve	795,305
Restricted fixed asset fund	15,728,548
Pension reserve	(1,111,000)
	15,412,853
Total	15,412,853

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Northern House School Oxford	1,124,447	93,571	131,224	81,967	1,431,209
Northern House School Solihull	1,139,032	110,392	246,931	227,554	1,723,909
Academy sponsorship grant	-	21,685	-	21,984	43,669
Central services	136,451	92,676	38,841	73,473	341,441
	2,399,930	318,324	416,996	404,978	3,540,228
	2,399,930	318,324	416,996	404,978	3,540,228

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SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
General funds	49,777	47,872	(12,985)	-	84,664
Restricted funds	(642,326)	3,808,759	(3,566,243)	(549)	(400,359)
Restricted fixed asset funds	7,795,508	8,135,358	(202,867)	549	15,728,548
	<u>7,202,959</u>	<u>11,991,989</u>	<u>(3,782,095)</u>	<u>-</u>	<u>15,412,853</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	15,728,548	15,728,548	7,724,137
Current assets	84,664	990,973	-	1,075,637	381,855
Creditors due within one year	-	(280,332)	-	(280,332)	(106,033)
Pension liability	(22,000)	(1,089,000)	-	(1,111,000)	(797,000)
Difference	22,000	(22,000)	-	-	-
	<u>84,664</u>	<u>(400,359)</u>	<u>15,728,548</u>	<u>15,412,853</u>	<u>7,202,959</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources	8,209,894	(52,473)
Returns on investments and servicing of finance	(720)	(418)
Fixed assets transferred from local authority on conversion	(8,092,000)	-
Pension transferred from local authority on conversion	236,000	-
Depreciation of tangible fixed assets	202,867	74,276
Capital grants from DfE	(25,848)	(15,357)
Cash transferred from Local Authority on conversion	(72,795)	-
Increase in debtors	(71,611)	(20,055)
Increase in creditors	174,299	23,473
FRS 17 adjustments	78,000	31,000
Net cash inflow from operations	<u><u>638,086</u></u>	<u><u>40,446</u></u>

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21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	720	418
	<u>720</u>	<u>418</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(115,278)	-
Capital grants from DfE	25,848	15,357
	<u>(89,430)</u>	<u>15,357</u>
Net cash (outflow)/inflow capital expenditure	(89,430)	15,357

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	348,274	622,171	-	970,445
Net funds	348,274	622,171	-	970,445

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

23. CONVERSION TO AN ACADEMY TRUST

On 16 December 2014 Oaklands School and PRU converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Northern House School Academy Trust from Solihull Metropolitan Borough Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	8,109,510	8,109,510
Budget surplus on LA funds	-	72,795	-	72,795
Surplus on conversion	-	222,670	-	222,670
LGPS pension (deficit)	-	(236,000)	-	(236,000)
Net assets/(liabilities)	-	59,465	8,109,510	8,168,975

The above net assets include £72,795 that was transferred as cash.

24. PENSION COMMITMENTS

The Academy Trust'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 Oxfordshire County Council and Wolverhampton City Council. Both are defined benefit schemes.

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

Contributions amounting to £19,293 were payable to the scheme at 31 August 2015 (2014 - £20,982) 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

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 employer's pension costs paid to TPS in the period amounted to £163,468 (2014: £91,092).

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 Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2015 was £162,000, of which employer's contributions totalled £121,000 and employees' contributions totalled £41,000. The agreed contribution rates for future years are 12.6% (Northern house School Solihull) and 14.4% (Northern House School Oxford)% for employers and between 5.5% and 12.5% for employees.

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

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24. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	<i>Expected return at 31 August 2014 %</i>	<i>Fair value at 31 August 2014 £</i>
Equities	7.10	642,000	6.70	534,000
Bonds	3.00	58,000	3.60	49,000
Property	6.20	70,000	5.90	48,000
Cash	1.40	34,000	2.90	34,000
Gilts	2.60	100,000	3.00	73,000
Alternative assets	7.00	83,000	6.70	13,000
Total market value of assets		<u>987,000</u>		<u>751,000</u>
Present value of scheme liabilities		<u>(2,098,000)</u>		<u>(1,548,000)</u>
(Deficit) in the scheme		<u><u>(1,111,000)</u></u>		<u><u>(797,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,098,000)	(1,548,000)
Fair value of scheme assets	987,000	751,000
Net liability	<u><u>(1,111,000)</u></u>	<u><u>(797,000)</u></u>

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

	2015 £	2014 £
Current service cost	(174,000)	(99,000)
Interest on obligation	(77,000)	(59,000)
Expected return on scheme assets	52,000	38,000
Total	<u><u>(199,000)</u></u>	<u><u>(120,000)</u></u>
Actual return on scheme assets	<u><u>32,000</u></u>	<u><u>67,000</u></u>

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24. PENSION COMMITMENTS (continued)

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

	2015	<i>2014</i>
	£	£
Opening defined benefit obligation	1,548,000	<i>1,207,000</i>
Current service cost	174,000	<i>99,000</i>
Interest cost	77,000	<i>59,000</i>
Contributions by scheme participants	41,000	<i>27,000</i>
Actuarial (Gains)/losses	(20,000)	<i>171,000</i>
Benefits paid	(58,000)	<i>(15,000)</i>
Transfer on conversion	336,000	<i>-</i>
	<hr/>	<hr/>
Closing defined benefit obligation	2,098,000	<i>1,548,000</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	2015	<i>2014</i>
	£	£
Opening fair value of scheme assets	751,000	<i>581,000</i>
Expected return on assets	52,000	<i>38,000</i>
Actuarial gains and (losses)	(20,000)	<i>31,000</i>
Contributions by employer	121,000	<i>89,000</i>
Contributions by employees	41,000	<i>27,000</i>
Benefits paid	(58,000)	<i>(15,000)</i>
Transfer on conversion	100,000	<i>-</i>
	<hr/>	<hr/>
	987,000	<i>751,000</i>
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(327,000) (2014 - £(327,000)).

The Academy Trust expects to contribute £126,000 to its defined benefit pension schemes in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	<i>2014</i>
Equities	63.00 %	<i>71.00 %</i>
Gilts	12.00 %	<i>10.00 %</i>
Other bonds	7.00 %	<i>6.00 %</i>
Property	8.00 %	<i>6.00 %</i>
Cash	4.00 %	<i>5.00 %</i>
Alternative assets	7.00 %	<i>2.00 %</i>

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24. PENSION COMMITMENTS (continued)

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Rate of increase in salaries	4.50 %	4.40 %
Rate of increase for pensions in payment / inflation	2.70 %	2.60 %
Inflation assumption (CPI)	2.70 %	2.60 %
RPI increases	3.60 %	3.40 %

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

	2015	2014
Retiring today		
Males	23.2	23.2
Females	25.5	25.5
Retiring in 20 years		
Males	25.6	25.4
Females	28.0	27.9

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015	2014	2013
	£	£	£
Defined benefit obligation	(2,098,000)	(1,548,000)	(1,207,000)
Scheme assets	987,000	751,000	581,000
Deficit	(1,111,000)	(797,000)	(626,000)
Experience adjustments on scheme liabilities	20,000	(67,000)	-
Experience adjustments on scheme assets	(20,000)	31,000	42,000

25. OPERATING LEASE COMMITMENTS

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

	2015	2014
	£	£
Expiry date:		
Between 2 and 5 years	9,483	5,511

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26. 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 Academy Trust's financial regulations and normal procurement procedures.

Other than as disclosed in note 11, there were no related party transactions (2014: £nil)

27. 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.