

WordFSMsampleCompany

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's Report of academy trust (the academy) for the ended 31 August 2015. The Trustees confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for secondary school. The principal activity of the school is to advance, for the public benefit, education by establishing, managing, maintaining and developing a secondary school offering a broad curriculum with a strong emphasis on the teaching of Science, Maths and ICT.

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 the Academy trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as the WordFSMsampleCompany.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

MEMBERS' LIABILITY

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

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy Trust is responsibility of the trustees who are elected and co-opted under the terms of the Academy deed. The board of trustees may appoint up to 10 Governors, whose term of office shall be 4 years, save that this time limit shall not apply to the Principal. Any trustee may be re elected. Two parent governors are elected for parents with children currently in school and also with the possibility of one staff governor if the Board decides to do so. The Board can also co-opt three governors.

The Governing body reviews the skills mix and seeks out individuals who can contribute to specific areas. Each Governor is allocated at least one committee to work with that best suits their skills set. Suitable training is sought for all Governors and specific training is provided to assist the Governors carry out their role on the Governing body. The Chair of governors is responsible for reviewing the Governors performance and reporting that back to the members.

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All prospective Governors must meet the Chair and the Principal to understand their role within the school before appointment. All new trustees will be given the opportunity of a tour of the school, have the chance to meet with staff and pupils and are provided with copies of key documents they need to fulfil their role as trustees. NPW has been engaged to carry out a detailed induction process for all the new governors. This training will be tailored specifically to the individuals. All governors will be given level two child protection training. All trustees are required to have an enhanced DBS disclosure.

The new trustees are required to attend one meeting as an observer before appointment. Particular aspects of training will be identified immediately and implemented over a reasonable time frame with safeguarding being made a priority where appropriate.

The School works closely with NH Partnership Working to provide Governors with up to date training. All Governors are required to undergo the enhanced DBS check.

ORGANISATIONAL STRUCTURE

The organisational structure currently consists of four levels:

- the Governors, who are directors of the school;
- the committees (Curriculum; Finance & Administration; Admissions, behaviour and exclusions; Pay and Performance Management and site);
- the Senior Leadership Team.
- School Health & Safety Committee (Sub-committee of Finance and Admin)

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The connected organisations are Fishmongers and Physics Factory. The school received two separate donations from the Fishmongers company to support extra-curricular activities especially music and sport. The last donation funded two rowing machines and other sporting equipment.

Physics Factory is an independent charity working alongside the school. The Principal is the founding Director of the charity. The Physics Factory exists to promote the teaching of physics in the state schools and offers bespoke CPD to teachers. It currently employs two members of staff and works with over 40 secondary schools.

RISK MANAGEMENT

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

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

Objectives and Activities

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Trustees are satisfied that the objectives set for the school have been attained with a modest budgetary surplus at the end of this financial year. The School worked towards and achieved a 'Good' OFSTED rating in June 2015.

The School is now working to build on this success in the longer term, specifically by launching GCSE curricula, strengthening the governing body and securing necessary temporary and permanent sites as we move forwards.

OBJECTS AND AIMS

The Academy's objective is set out in its Articles of Association. This is to establish, maintain, manage and develop a school offering a broad curriculum with an emphasis on, but in no way limited to, the STEM subjects. The academy aims to be an important centre for the teaching of science and computer science by developing its subject specialism. This will mean opening in the future a large sixth form to deliver science and mathematics 'A' Levels. More broadly, the academy aims to offer the majority of its pupils the chance to achieve an English EBACC by offering a range of good qualifications at GCSE including an emphasis on language and humanities.

The academy also offers a wide ranging enrichment curriculum, which aims to broaden the outlook of every child.

PUBLIC BENEFIT

The Governors of the Academy Trust 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.

WordFSMsampleCompany aims to be an outstanding and inclusive school for the local community, specifically the students who attend the school but also the wider community including local primary school and the public through the letting of its premises. The priority is a high quality education for its students in a safe and caring community.

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

Achievements and performance

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 Reserves section.

KEY FINANCIAL PERFORMANCE INDICATORS

Key financial performance indicators include:

- Pupil Intake
- Balance of incoming and outgoing resources
- Year-to-date spend against forecast
- Distribution of spend across categories (for example salaries, educational supplies, extra curricular activities)
- Ongoing capital investment
- Staff recruitment and retention

REVIEW OF ACTIVITIES

The School is recruiting pupils, curriculum development and delivery, site setup and ongoing maintenance, quality of teaching, DFE and OFSTED inspections, leadership. Managing day to day operating finance and dealing with the setup of IT.

INVESTMENT POLICY AND PERFORMANCE

The Trust has not investments at present but in future years, once reserves build up, it will develop an appropriate investment policy.

Financial review

FINANCIAL REPORT FOR THE YEAR

During the year ended 31 August 2015, the surplus of income over expenditure for the year (before recognised gains and losses and excluding capital restricted funds) equated to £43,910 (2014- deficit £(158,306)) represented by total expenditure of £1,790,443 (2014- £1,237,077) against income of £1,834,353 (2014- £1,078,771).

The School funds carried forward as at 31 August 2015 are £543,825 (2014- £465,957), including capital funds which are represented by fixed assets of £632,770 (2014- £607,210).

The School's net assets (i.e. total reserves) as at 31 August 2015 were £543,825 (2014- £465,957) comprising £495,060 (2014- £439,929) of restricted funds and £48,765 (2014- £26,028) of unrestricted general funds. At 31 August 2015 the School held cash balances of £126,297 (2014- £18,309). The School assets will be used exclusively for providing education and the associated support services to the students of the School and the local community.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have reviewed and identified the major risks to which the academy trust is exposed to and systems and procedures have been established to manage those risks. The key risks and uncertainties are summarised below:

Principal risks and actions to mitigate these risks include:

- Lack of demand for places leading to the school operating at less than 100% capacity.
- Mitigation: The School is exceeding demand year on year and is now exceeding it by four times in 2015

In order to proactively mitigate the risk of low intake:

- The school runs an effective marketing and community outreach operation throughout the year.
- Primary liaison with primary schools through school staff.
- Physics factory established a CPD plan working across all of the city and potentially with local primary schools as well and good relationships between the Principal and other primary school heads.

- Uncertainty around the operating costs
 - Mitigation: This is being managed through strategic financial planning and robust monitoring of school budget. The expenses being managed within an extremely tight budget and a robust system of centralised spending which is overseen by the finance committee. All expenses are staged throughout the year and are tied in with the clawback payment schedule on a cohort and long term basis.

- Temporary site setup and maintenance are being managed within a very tight budget and a centralised spending which is overseen by the finance committee
 - Mitigation: the Trustees and the Principal maintain a rigorous and effective set of financial procedures to support their overall financial and risk management objectives.

- Mitigation of potential risks regarding split site and the future site arrangements
 - Mitigation: Very close relationship between the SLT, Governors and the EFA to choose a future site.
 - Clear lines of communication to GLA, LLDC and the ministers

The principal risks facing the Academy are:

- Reputational risk — mitigated by a very strong team working with admission, behaviour and work closely with outside services, including our local police force and social workers. A very strong pastoral system and an emerging PTA, all of which means that we have close relationship to both pupils and parents and School's reputation is growing year on year as an effective school.

- Performance risk — The Schools academic progress revolves around a very strong assessment system with regular reporting to the parents with transparency and honesty around pupil performance and hence clear targets and demands are set for improvement on a regular basis. The School anticipates a strong performance in the National exams and GCSE's which are some time away. The School tracks student performance against midys and reading age test to help develop strong intervention strategies to develop weaker pupil performance.

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

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Financial Risk — The principal financial risks are a reduction in pupil intake, reduction in central government funding and unbudgeted increase in teaching or support staff costs. The School continues to grow in each cohort year on year and hopes to be full in the third and subsequent years. The School's FT and FF&E budgets were consciously designed to allow the flexibility that the School may need if it has to move site.

Risks associated with personnel —The School has a very committed and strong staff team including a robust teacher training system, which means that our staff feels supported and develops in terms of their careers and sees themselves working with us as they grow and develop with the school.

The Academy Trust practices through its Board, namely the Governing Body and the constituted committees, 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 reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains 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 Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

RESERVES POLICY

At present the School does not have any reserves but the Directors plan to review the reserve levels of the School annually once the reserves build up. None of the support staff opted in or contributed towards the Local Government Pension Scheme (LGPS) and hence there was no outstanding liability or deficit at the end of the year.

At 31 August 2015 the total funds comprised:

Unrestricted	48,765
Restricted - Fixed asset funds	641,168
GAG	(146,108)
	<hr/>
	543,825

Although there is still a claw-back of funding repayable of £183,252, this is being managed on schedule and within our cash flow budget. During the year the School has paid two instalments of £66,292 each. This will not impact the standard of learning and teaching at the school. The school will be monitoring and reviewing its financial situation at each step. The School does not foresee any problem in continuing its payment schedule.

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

Plans for future periods

FUTURE DEVELOPMENTS

The trustees intend to open a primary school under the Trust's umbrella to offer academically rigorous education to children from a variety of backgrounds.

- The Trust aims to grow year on year with each new cohort of year 7 and secondly to develop a Key Stage 4 curriculum starting from year 9 including options for more able to do more humanities and language qualifications. To develop strong links with businesses in the IT sector with links to our computer science Curriculum and our careers education.
- To develop and grow our staff to ensure strong offer at GCSE over the next three years. Strengthen and develop our enrichment curriculum linked more closely to pupils option choices at GCSE.
- Start to future plan Sixth form provision within the next two years. Develop our temporary / permanent site to achieve our education objectives.
- Strengthen our reputation in areas of science and mathematics. Continue to develop our links with the local primary school.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The trust does not hold any funds as custodian trustee. In the future the School is looking to raise money through E Foundation and O Trust to support the work of the Physics Factory.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

This report was approved by order of the board of trustees on ___/___/___ and signed on the board's behalf by:

Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between WordFSMsampleCompany 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 Trustees' Responsibilities Statement. The board of trustees has formally met 4 times during the year.

During the year there were the following key changes in the composition of the board of trustees and challenges that arose for the board.

At the beginning of this year the LGB was strengthened and individuals were brought in with skills to meet the requirement of each committee. The Chair of LGB went on an extensive training program. The LGB dealt with the conflict of running the school and at the same time developing a site by putting site development on the site while the main board remained focused on running the school i.e. finance, curriculum etc.

Governance reviews:

At present, the board has not carried out a governance review but has considered this in its programme of internal audit work for the forthcoming year.

The Finance (FC) Committee is responsible for all financial and resource management, all internal and external financial reporting, ensuring an effective internal control environment, human resources, legal, premises, any construction issues and to consider other general matters not falling within the remit of any other committee.

REVIEW OF VALUE FOR MONEY

As accounting officer, the Principal 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:

- WordFSMsampleCompany is committed to delivering value for money as an integral part of its School strategy. It endeavours to achieve VfM from public funds and all other sources of funding. Similarly, the responsibility for pursuing VfM lies with all staff, and not just those with financial duties.

GOVERNANCE STATEMENT (continued)

In order to meet its commitment to achieving VfM the School has set itself the following aims:

- To integrate VfM principles within the Schools existing management, planning, review and decision-making processes, particularly in regard to projects or activities with significant financial implications.
- To adopt recognised good practice where appropriate.
- To benchmark School's activities against other similar activities and Schools where this is considered useful.
- To respond to opportunities to enhance the economy, efficiency and effectiveness of the School's activities.
- To demonstrate actively to both internal and external observers that the achievement of VfM is sought in all activities undertaken.
- To ensure that all staff recognise their continuing obligation to seek VfM as part of their routine activities.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in WordFSMsampleCompany for the year 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 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'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 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.

GOVERNANCE STATEMENT (continued)

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 Trustees have decided to use a separate team of independent auditor to carry out periodic RO checks. In his capacity as the Chair Finance Committee, is responsible for reviewing the report and briefing the Governing body.

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

Periodically, the RO 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.

During the year the RO carried out a half yearly visit and suggested some reinforcement and process refinement measures. This report was discussed at the finance committee and the suggested improvements were put in place.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the board of trustees on ___/___/___ and signed on its behalf, by:

Chair of Trustees

Accounting officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of WordFSMsampleCompany I have considered my responsibility to notify the academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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.

Accounting officer

Date:

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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 ___/___/___ and signed on its behalf by:

Chair of Trustees

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of WordFSMsampleCompany 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'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 academy's Trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S 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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Chartered Accountants

Date:

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO WordFSMsampleCompany AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter 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 WordFSMsampleCompany 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 WordFSMsampleCompany and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to WordFSMsampleCompany 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 WordFSMsampleCompany and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF WordFSMsampleCompany'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of WordFSMsampleCompany's funding agreement with the Secretary of State for Education, 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'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.
- 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
- 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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO WordFSMsampleCompany AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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

Chartered Accountants

Date:

WordFSMsampleCompany
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted	Restricted	Restricted	Total	Total
		funds	funds	fixed asset	funds	funds
		2015	2015	2015	2015	2014
	Note	£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds:						
Donations						8,300
Activities for generating funds	2	23,796	28,078		51,874	45,751
Incoming resources from charitable activities	3		1,782,479	171,058	1,953,537	1,776,321
		_____	_____	_____	_____	_____
TOTAL INCOMING RESOURCES		23,796	1,810,557	171,058	2,005,411	1,830,372
		_____	_____	_____	_____	_____
RESOURCES EXPENDED						
Charitable activities	5	1,059	1,781,428	137,100	1,919,587	1,366,810
Governance costs	4		7,956		7,956	6,358
		_____	_____	_____	_____	_____
TOTAL RESOURCES EXPENDED	6	1,059	1,789,384	137,100	1,927,543	1,373,168
		_____	_____	_____	_____	_____
NET INCOME FOR THE YEAR		22,737	21,173	33,958	77,868	457,204
Total funds at 1 September 2014		26,028	(167,281)	607,210	465,957	8,753
		_____	_____	_____	_____	_____
TOTAL FUNDS AT 31 AUGUST 2015		48,765	(146,108)	641,168	543,825	465,957
		=====	=====	=====	=====	=====

The notes on pages 20 to 26 form part of these financial statements.

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BALANCE SHEET

AS AT 31 AUGUST 2015

	Note	£	2015 £	2014 £
FIXED ASSETS				
Tangible assets	9		632,770	607,210
CURRENT ASSETS				
Debtors	10	135,373		92,203
Cash at bank		126,297		18,309
		<u>261,670</u>		<u>110,512</u>
CREDITORS: amounts falling due within one year	11	(350,615)		(251,765)
		<u>(350,615)</u>		<u>(251,765)</u>
NET CURRENT LIABILITIES			(88,945)	(141,253)
			<u>(88,945)</u>	<u>(141,253)</u>
NET ASSETS			543,825	465,957
			<u>543,825</u>	<u>465,957</u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds		(146,108)		(167,281)
Restricted fixed asset funds		641,168		607,210
		<u>641,168</u>		<u>607,210</u>
Total restricted funds			495,060	439,929
Unrestricted funds			48,765	26,028
			<u>48,765</u>	<u>26,028</u>
			<u>543,825</u>	<u>465,957</u>

The notes on pages 20 to 26 form part of these financial statements.

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	2015	2014
	£	£
Operating activities		
Net incoming resources before revaluations	77,868	406,293
Change in current assets and current liabilities		
Depreciation of tangible fixed assets	137,101	136,091
(Increase)/decrease in debtors	(43,170)	(76,435)
(Decrease)/increase in creditors	98,850	251,765
	270,649	717,714
Investing activities		
Capital expenditure and financial investment	(162,661)	(743,301)
	107,988	(25,587)
INCREASE (DECREASE) IN CASH IN THE YEAR		
Net funds at 1 September 2014	18,309	43,898
	126,297	18,309
NET FUNDS AT 31 AUGUST 2015	126,297	18,309

The notes on pages 20 to 26 form part of these financial statements.

**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, with the exception of investments which are included at market value. 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 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 Department for Education.

1.3. Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy 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.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy 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 the academy's policies.

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

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

1. ACCOUNTING POLICIES (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of Covenant is recognized at the time of the donation.

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.

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's educational operations.

Governance costs include the costs attributable to the academy'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 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

Assets costing £1,000 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 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's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

1. ACCOUNTING POLICIES (continued)

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 carrying value of the fixed assets and their recoverable amounts are recognised as impairments.

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

Fixtures and fittings	- 5 years straight line
Computer equipment	- 5 years straight line
Assets in course of construction	- Nil

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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8. Taxation

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

1.9. Pensions

The academy trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the academy trust to the fund in respect of the year. Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the academy 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 trust does not currently employ any members of the Local Government Pension Scheme

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

2. FUNDRAISING INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities and miscellaneous income	23,796	-	23,796	9,295
Catering	-	28,078	28,078	36,456
	<u>23,796</u>	<u>28,078</u>	<u>51,874</u>	<u>45,751</u>
	<u><u>23,796</u></u>	<u><u>28,078</u></u>	<u><u>51,874</u></u>	<u><u>45,751</u></u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational operations		1,944,381	1,944,381	1,776,321
Capital funding		9,156	9,156	0
		<u>1,953,537</u>	<u>1,953,537</u>	<u>1,776,321</u>
		<u><u>1,953,537</u></u>	<u><u>1,953,537</u></u>	<u><u>1,776,321</u></u>

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)		1,194,425	1,194,425	572,311
Other government grants		100,833	100,833	48,913
Pupil premium		86,112	86,112	35,861
Start up grants		127,405	127,405	153,550
Capital grants		161,902	161,902	743,301
Funding of building lease		273,704	273,704	222,385
		<u>1,944,381</u>	<u>1,944,381</u>	<u>1,776,321</u>
		<u><u>1,944,381</u></u>	<u><u>1,944,381</u></u>	<u><u>1,776,321</u></u>

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

4. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditor's remuneration		4,316	4,316	4,150
Legal and professional costs		2,883	2,883	2,165
Governance - trustees expenses reimbursed		757	757	43
	_____	_____	_____	_____
		7,956	7,956	6,358
	=====	=====	=====	=====

5. CHARITABLE ACTIVITIES

	Total funds 2015	Total funds 2014
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	785,709	491,817
National insurance	62,733	4,942
Pension cost	77,436	101,329
Educational consumables	123,894	79,664
Staff development	21,195	7,658
Technology costs	68,664	9,353
	_____	_____
	1,139,631	694,763
	=====	=====
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	125,123	104,563
National insurance	11,869	36,661
Depreciation	137,100	136,091
Recruitment and other staff Costs	22,485	15,378
Repairs and maintenance	22,172	20,618
Cleaning contract	22,218	16,440
Rent, rates and Water	296,793	240,566
Light and heat	11,586	10,529
Legal and professional services	8,545	10,772
Insurance	27,926	18,139
Other support costs	94,139	62,290
	_____	_____
	779,956	672,047
	_____	_____
	1,919,587	1,366,810
	=====	=====

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

6. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Educational operations	925,878	213,753	1,139,631	694,763
Support costs – educational operations	136,992	642,964	779,956	672,047
	<u>1,062,870</u>	<u>856,717</u>	<u>1,919,587</u>	<u>1,366,810</u>
Charitable activities				
Governance		7,956	7,956	6,358
	<u>1,062,870</u>	<u>864,673</u>	<u>1,927,543</u>	<u>1,373,168</u>

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Educational operations	1,139,631	779,956	1,919,587	1,366,810
	<u>1,139,631</u>	<u>779,956</u>	<u>1,919,587</u>	<u>1,366,810</u>

8. NET INCOMING RESOURCES

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets: - owned by the charity	137,100	136,091
Auditor's remuneration	4,316	4,150
	<u>141,416</u>	<u>140,241</u>

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

9. TANGIBLE ASSETS

	Assets in the course of construction £	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	266,180		172,119	305,002	743,301
Additions	83,686		760	78,215	162,661
Transfer between classes	(320,699)	320,699			
At 31 August 2015	<u>83,686</u>	<u>266,180</u>	<u>172,879</u>	<u>383,217</u>	<u>905,962</u>
Depreciation					
At 1 September 2014			34,424	101,667	136,091
Charge for the year		66,546	34,574	35,981	137,101
At 31 August 2015		<u>66,546</u>	<u>68,998</u>	<u>137,648</u>	<u>273,192</u>
Net book value					
At 31 August 2015	<u>83,686</u>	<u>199,634</u>	<u>103,881</u>	<u>245,569</u>	<u>632,770</u>
At 31 August 2014	<u>266,180</u>		<u>137,695</u>	<u>203,335</u>	<u>607,210</u>

10. DEBTORS

	2015 £	2014 £
Trade debtors	34,025	19,094
Prepayments and other debtors	101,348	73,109
	<u>135,373</u>	<u>92,203</u>

11. CREDITORS:

	2015 £	2014 £
Amounts falling due within one year		
Trade Creditors	73,002	31,995
Other taxation and social security	32,482	25,012
Other creditors	169,206	183,865
Accruals and deferred income	75,925	10,893
	<u>350,615</u>	<u>251,765</u>