

**The Rural Enterprise Academy  
(A Company Limited by Guarantee)  
Report and Financial Statements  
Year Ended 31 August 2015**



**Company Registration Number: 07652211 (England and Wales)**

# **The Rural Enterprise Academy Trust**

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## The Rural Enterprise Academy Trust

### Reference and Administrative Details

<b>Members</b>
G M Morley
R Faulkner
W L Trigg
R G P Boucherat

Governors (Trustees)	Date Appointed	Date Resigned	Meetings attended/Out of a possible
G M Morley (Chair)	13/7/2012		Board 3/3 Audit N/A Performance N/A
R Faulkner	13/7/2012		Board 3/3 Audit 2/2 Performance N/A
W L Trigg	13/7/2012		Board 1/3 Audit N/A Performance 1/3
W Avery	13/7/2012		Board 2/3 Audit 2/2 Performance N/A
S Bard	13/7/2012	28/3/2015	Board 1/1 Audit N/A Performance 2/2
R G P Boucherat (Vice Chair)	29/7/2013		Board 3/3 Audit N/A Performance 2/3
A Congrave (staff governor)	26/3/2013		Board 2/3 Audit N/A Performance N/A
R Fairweather	13/7/2012		Board 1/3 Audit N/A Performance 0/3
L Makin (Principal & Chief Accounting Officer)	1/9/2012		Board 3/3 Audit N/A Performance 3/3
Will McKinnell (parent governor)	26/3/2013		Board 3/3 Audit N/A Performance 2/3
A Perry (parent governor)	16/10/2012		Board 3/3 Audit 1/2 Performance N/A
A Warrington	30/3/2015		Board 2/2 Audit 0/0 Performance N/A

The Ofsted review of the Academy undertaken in March 2014 graded the leadership and management of the school, which included governance arrangements, as "good" and commented that senior leaders and governors provide effective leadership and ensure improvement in teaching and achievement. They are highly committed to the academy and share a strong vision for students to succeed academically and in life. A further governance review will be undertaken in 2015/16.

## **The Rural Enterprise Academy Trust**

Company Secretary	V Howard
Principal	L Makin
Principal and Registered Office	Rodbaston, Penkridge, Staffordshire, ST19 5PH
Company Registration Number	7652211
Independent Auditor	Mazars, Park View House, 58 The Ropewalk, Nottingham, NG1 5DW
Bankers	Yorkshire Bank, Temple Point, 1 Temple Row Birmingham B2 5YB
Solicitors	Pickering & Butlers, 19 Greengate Street Stafford, ST16 2LU

### **Governors' Report**

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

#### **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 governors act as the trustees for the charitable activities of The Rural Enterprise Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Rural Enterprise Academy and was incorporated on 31<sup>st</sup> May 2011.

Details of the governors who served throughout the year are included in the Reference and Administrative Details on page 2.

##### **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.

Insurance cover to £1m has been in place for governor liability for the period of accounts.

##### **Principal Activities**

The main purpose is to establish, maintain, continue, manage and develop a school offering a broad and balanced curriculum. The Academy enables young people from the age of 14 years, to gain a broad education with traditional and essential qualifications such as English, Maths and Science, and the opportunity to link learning wherever possible to rural enterprise, environmental sustainability and land-based subjects.

##### **Method of Recruitment and Appointment or Election of governors**

South Staffordshire College as lead sponsor of TREA set up the Trust comprising of four members. The four members may appoint up to 6 governors. The members may appoint staff governors provided the total number of governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of governors. Parent governors are elected by parents of the registered pupils at the Academy. The members may appoint 1 governor from each of the NFU and Veolia.

##### **Organisational Structure**

# **The Rural Enterprise Academy Trust**

## **Governors' Report (continued)**

Members of the Governing Body are detailed on page 2 of this report. The Governors make the key decisions for and determine the general policies of the Academy. The Governors meet at least three times a year as a full board and receives reports from the sub committees. There are three sub-committees that support the Board, Audit and Performance which are scheduled to meet three times per year and Remuneration which meets as and when required.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

New governors join throughout the year, induction tends to be done informally and is tailored specifically to the individual. Other training is conducted as necessary.

### **Risk Management**

The Academy gave priority to risk management and as such ensured an assessment of key business risks was undertaken with approval of the risk register prior to the commencement of the year. This has been monitored by the Audit Committee and the Board throughout the year. Key business risk related to quality of provision and the finances of the Academy.

A risk register is maintained at the Academy level which is reviewed at each meeting of the Audit Committee, Performance Committee and the Board. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

### **Connected Organisations, including Related Party Relationships**

The Academy is supported by South Staffordshire College who are the lead sponsor and provided resources and expertise to establish the free school on its campus at Rodbaston. Two companies, the NFU and Veolia are also sponsors who contribute to the running of the Academy by involvement as Governors and as ambassadors for TREA in their respective industries. The sponsors are committed to assisting with marketing and promoting the academy especially within the land-based sector.

### **Auditors**

The board of governors at its meeting on 24 March 2014 re-appointed Baker Tilly as internal auditor for 2014/2015. Also the board of governors, at its meeting on 10 December 2013, appointed Mazars as Financial Statements and Regularity auditor from 1 September 2013 until 31 August 2017.

## **Objectives and Activities**

### **Objects and Aims**

The aim of the Academy is to enable young people from the age of 14, to gain a broad education with traditional and essential qualifications such as English, Maths and Science, as well as the opportunity to link learning, wherever possible, to rural enterprise, environmental sustainability and land-based subjects.

### **Objectives, Strategies and Activities**

The main financial objectives of the Academy for its third year of operation were to minimise its budget deficit before financial support from South Staffordshire College and achieve a positive cash flow.

Much work has been undertaken in year to develop strategies to ensure that the quality of teaching and learning within the Academy is effective in supporting its pupils to succeed to the best of their ability, and that the pastoral care provides a safe and secure environment.

### **Public Benefit**

# The Rural Enterprise Academy Trust

## Governors' Report (continued)

In setting and reviewing the academy's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the academy provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent progression record for students
- Strong student support systems
- Links with sponsor industries

### Achievements and Performance

The assessment of the Ofsted inspection carried out in March 2014 was that the academy overall was "Good". This was reflected in Parent's views with Ofsted commenting that, "Parents are overwhelmingly positive about the high level of personal care and support their children receive. Vulnerable students are well supported. Guidance for students' next steps in their education is good."

The second cohort of pupils who started at the academy in September 2013 took their external examinations during the summer of 2015 and the percentage of students achieving 5+ A\* - C grades including English and Maths was 40%. This is an 18% increase on the previous year. In addition to traditional academic subjects academy students were able to study a BTEC Level 2 qualification in Agriculture or Animal Care which are important to develop employability skills in the rural sectors.

The progression of the academy learners is excellent with students progressing into the academy 6th form, further education and training elsewhere or into apprenticeship programmes with the sponsor College.

### Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the academy trust has adequate resources to operate for the foreseeable future. For this reason it adopts 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.

### Key Financial Performance Indicators

For its third year of operation the Academy was required to stay within the deficit budget that South Staffordshire College had agreed to support, and maintain a positive cash balance. Both of these were achieved.

### Financial Review

Overall the academy generated net incoming resources for the year of £816k, including the capital grant funding from the DfE of £56k which has been received into the restricted fixed asset fund.

Excluding the fixed asset fund, the academy realised total net expenditure of £8k with total grant income of £753k from the DfE/EFA offset by expenditure of £768k, the majority of which related to staff costs.

As at 31 August 2015 the net book value of fixed assets was £4,746k. In year additions totalled £56k relating mainly to IT equipment and fixtures and fittings. The academy had cash at bank and in hand totalling £419k.

# **The Rural Enterprise Academy Trust**

## **Governors' Report (continued)**

### **Principal Risks and Uncertainties**

The academy had a risk management process in place that identified key risks and reported progress towards mitigating the risks termly to the Audit Committee, Performance Committee and Board. The key risks identified included the recruitment of sufficient learners to ensure the ongoing financial viability of the academy and the risk of a failure to achieve high quality provision and outcomes for learners.

### **Reserves Policy**

The Governors will review the reserve levels of the academy annually taking into account the nature of income and expenditure streams. The Governors have determined that the academy will aim towards building up reserves to an appropriate level as the academy grows in size. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

After its third year of operation the academy doesn't have any unrestricted reserves. Any future unrestricted reserves would require approval by the Board before expenditure. The level of restricted funds at the period end including the restricted fixed asset fund and the pension reserve, amounted to £4,789k.

### **Investment Policy**

The academy trust will invest any surplus monies on deposit with major UK clearing banks.

### **Plans for Future Periods**

From September 2015, the third year of operation the academy was able to enrol pupils into year 9 and 10.

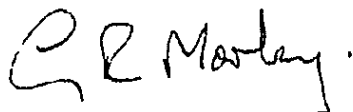
The growth in numbers for post 16 learners can be accommodated within the existing buildings occupied by the academy.

### **Auditor**

In so far as the governors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware,
- the governors 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.

Approved by order of the members of the governing body on 17<sup>th</sup> December 2015 and signed on its behalf by



**G Morley**  
Chair

# **The Rural Enterprise Academy Trust**

## **Governance Statement**

### **Scope of Responsibility**

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

The governing body 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 The Rural Enterprise Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The governing body has formally met three times during the year, as did the Performance Committee. The Audit Committee met on two occasions, one scheduled meeting was cancelled as there was insufficient business to conduct.

Overall attendance during the year at meetings of the governing body was 75%. One external Governor resigned in March 2015.

### **Governance Review**

The Performance Committee is a sub-committee of the main board of governors.

The main purpose of the Performance Committee is to consider and advise the Board on any matter relating to Academy policy, including Quality, Finance, Risk management, Estates and HR.

Overall attendance at meetings in the year was 59%.

The Audit Committee is also a sub-committee of the main board of governors.

Its main purpose is to advise the Board of Governors on the adequacy and effectiveness of the Academy's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness.

Overall attendance at meetings in the year was 83%.

### **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

- Delivering in house professional development training
- Reviewing suppliers
- Reviewing pay costs and reducing vacancies where recruitment levels were less than expected



# **The Rural Enterprise Academy Trust**

## **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 The Rural Enterprise Academy for the period 1 September 2014 to 31 August 2015 to the date of approval of the annual report and financial statements.

## **Capacity to Handle Risk**

The governing body 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 governing body 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 governing body.

## **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- regular reviews by the performance 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 governing body has considered the need for a specific internal audit function and has decided to appoint Baker Tilly as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On an annual basis the auditor reports to the governing body, through the audit committee, on the operation of the systems of control and on the discharge of the governing body financial responsibilities.

The work undertaken by Internal Audit during the year was completed in line with the plan approved at the start of the year and no material control issues were reported.

## **Review of Effectiveness**

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

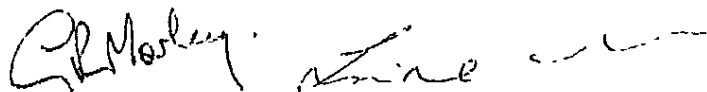
- the work of the internal auditor,
- the work of the external auditor
- the financial management process,
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

## The Rural Enterprise Academy Trust

### Governance Statement (continued)

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

Approved by order of the members of the governing body on 17 December 2015 and signed on its behalf by



G Morley

L Makin

Chair

Accounting officer

### Statement on Regularity, Propriety and Compliance

As accounting officer of The Rural Enterprise Academy I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) 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 governing body 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. Any occurring after the date of this statement will be notified to the governing body and the EFA



L Makin

Accounting officer

## The Rural Enterprise Academy Trust

### Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities of The Rural Enterprise Academy and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements 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 governors to prepare financial statements for each financial year. Under company law the governors 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 governors are required to

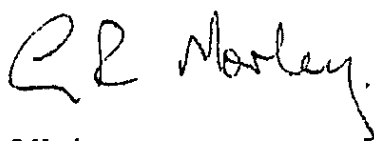
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP 2005,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

The governors 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 governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFAD/IE have been applied for the purposes intended.

The governors 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 governing body on 17 December 2015 and signed on its behalf by,



**G Morley**

Chair

## The Rural Enterprise Academy Trust

### Independent Auditor's Report to the members of The Rural Enterprise Academy

We have audited the financial statements of The Rural Enterprise Academy for the year ended 31 August 2015 set out on pages 13 to 23. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2014/15 and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2014/15 issued by the Education Funding Agency ("EFA") on terms that have been agreed. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and, in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2014/15 issued by the EFA, those matters that we have agreed to state to them in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of the Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 10 the Governors' (who are also the directors of the company for the purposes of company law) are responsible for the preparation of financial statements which 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 auditing standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

#### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs at 31 August 2015, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006,
- have been prepared in accordance with the Academies Accounts Direction 2014/15 issued by the EFA.

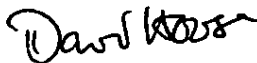
#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

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

- The charitable company has not kept adequate accounting records, 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,
- certain disclosures of Governors' remuneration specified by law are not made,
- we have not received all the information and explanations we require for our audit.



David Hoose,  
For and on behalf of Mazars, Statutory Auditor  
Chartered Accountants  
Park View House, 58 The Ropewalk, Nottingham NG1 5DW  
17 December 2015

## The Rural Enterprise Academy Trust

### Independent Reporting Accountant's Assurance Report on Regularity to the Rural Enterprise Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 10 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Rural Enterprise Academy Trust during the period 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 the Rural Enterprise Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Rural Enterprise Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Rural Enterprise Academy and the EFA, for our work, for this report, or for the conclusion we have formed

#### Respective responsibilities of the Rural Enterprise Academy's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

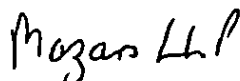
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

#### Conclusion

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



David Hoose,  
For and on behalf of Mazars, Statutory Auditor  
Chartered Accountants  
Park View House, 58 The Ropewalk, Nottingham NG1 5DW  
17 December 2015

**STATEMENT OF FINANCIAL ACTIVITIES**  
 for the year ended 31 August 2015

(Including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2015	Total 2014
	Notes	£000	£000	£000	£000	£000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds</i>						
Voluntary income	3	-	7	-	7	9
Activities for generating funds	4	-	-	-	-	-
Investment income	-	-	-	-	-	-
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	5	-	753	66	829	810
<b>Total incoming resources</b>		<b>0</b>	<b>760</b>	<b>66</b>	<b>816</b>	<b>829</b>
<b>Resources expended</b>						
<i>Cost of generating funds</i>						
Costs of generating voluntary income	-	-	-	-	-	-
Fundraising trading	-	-	-	-	-	-
<i>Charitable activities</i>						
Academy's educational operations	6	-	761	181	942	828
Governance costs	8	-	8	-	8	7
<b>Total resources expended</b>		<b>0</b>	<b>769</b>	<b>181</b>	<b>950</b>	<b>834</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>0</b>	<b>(9)</b>	<b>(125)</b>	<b>(134)</b>	<b>(6)</b>
<b>Gross transfers between funds</b>						
<b>Net income/(expenditure) for the year</b>		<b>0</b>	<b>(9)</b>	<b>(125)</b>	<b>(134)</b>	<b>(6)</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pension schemes	-	-	(6)	-	(6)	(18)
Net movement in funds	-	0	(15)	(125)	(140)	(24)
<b>Reconciliation of funds</b>						
Funds brought forward at 1 September 2014	-	-	67	4,871	4,928	4,952
Funds carried forward at 31 August 2015	-	0	42	4,746	4,788	4,928

All of the academy's activities derive from continuing operations

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

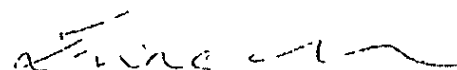
Balance sheet  
 as at 31 August 2015

		2015 £000	2015 £000	2014 £000	2014 £000
<b>Fixed assets</b>					
Tangible assets	12		4,746		4,871
<b>Current assets</b>					
Stock			13		26
Debtors	13		419		203
Cash at bank and in hand			432		328
<b>Creditors: Amounts falling due within one year</b>	11		(388)		(257)
<b>Net current assets</b>			<u>84</u>		<u>72</u>
<b>Total assets less current liabilities</b>			<u>4,810</u>		<u>4,943</u>
<b>Net assets excluding pension liability</b>			<u>4,810</u>		<u>4,943</u>
<b>Net pension liability</b>			(21)		(15)
<b>Net assets including pension liability</b>			<u>4,789</u>		<u>4,928</u>
<b>Funds of the academy</b>					
<b>Restricted funds</b>					
Fixed asset fund(s)	15		4,746		4,871
General fund - excluding pension reserve	15		61		72
Pension reserve	15		(21)		(15)
<b>Total Restricted funds</b>			<u>4,789</u>		<u>4,928</u>
<b>Unrestricted funds</b>					
General fund(s)	15				
<b>Total Unrestricted funds</b>			<u>          </u>		<u>          </u>
<b>Total Funds</b>			<u>4,789</u>		<u>4,928</u>

The financial statements on pages 13 to 23 were approved by the Governors and authorised for issue on 17 December 2015 and were signed on its behalf by



G Morley  
 Chairman



L Makin  
 Principal

Company Number 07652211

Cash flow statement  
 for the period ended 31 August 2015

		2015 €000	2014 €000
Net cash outflow from operating activities	18	116	189
Returns on investments and servicing of finance			
Capital expenditure	19		
(Decrease)/increase in cash in the year	20	<u>116</u>	<u>189</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		302	113
Net funds at 31 August 2015	20	<u>418</u>	<u>302</u>



**1 Statement of Accounting Policies****Basis of Preparation**

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

**Going Concern**

The governors 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 governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

**Incoming Resources**

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

**Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are 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**

Sponsorship income provided to the Academy Trust 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.

**Donations**

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

**Other Income**

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

**Donated Services and gifts in kind**

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

The Rural Enterprise Academy will occupy land, refurbished buildings, and newly constructed buildings owned by South Staffordshire College. A lease arrangement gives the right to occupy for a period of 30 years at which point ownership will revert back to South Staffordshire College. The assets transferred from the College are recognised at depreciated replacement cost.

During the year the Academy has not been charged for any administration services provided by South Staffordshire College.

**Resources Expended**

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

**Costs of generating funds**

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

**Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

**Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of any irrecoverable VAT.

## Notes (continued)

## 1 Statement of Accounting Policies (continued)

**Tangible Fixed Assets**

The Rural Enterprise Academy buildings were constructed and have been occupied since September 2012.

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

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life.

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

**Leased Assets**

The Academy has entered into a 30 year lease with South Staffordshire College to occupy former College buildings, which are currently under refurbishment, and newly built accommodation when completed for a peppercorn rent.

**Stock**

No stock held in this accounting period.

**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 2011 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.

**Pensions Benefits**

Retirement benefits to employees of the Academy Trust will be provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme (SERPS), 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 20, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by Department for Education 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.

Notes (continued)

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of Education the Academy was subject to the 2015 to 2016 GAG funding which was carried forward from the 2014 to 2015. An amount equal to 1% of GAG could be carried forward, of which up to 2% can be used for general or "soft" purposes, with any balance being available for grant technical purposes.

The Academy has not used the 2015 to 2016 GAG funding by the year ended 31 August 2015.

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
3 Voluntary Income					
Charitable Donations - Capital					
Gifts in kind					
Gifts in kind					

4 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
End of year		4		4	0
FRS 17		1		1	1
		1		1	1

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
5 Funding for Academy's educational operations					
Ofsted revenue grant		604		604	454
General Annual Grant (GAG)		111		111	159
Start-up Grant			74	74	118
Capital Grant					57
Ofsted EFA grant		30		30	47
Other Government grants (including support costs)		0		0	47
		735	74	809	815

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure Materials £000	Other Costs £000	Total 2015 £000	Total 2014 £000
Costs of generating voluntary income					
Costs of activities for generating funds					
Academy's educational operations	454	131	44	629	535
Direct costs	129	16	75	220	236
Allocated support costs	325	115	13	453	299
Other resources (including support costs)			0	0	7
	454	131	118	703	642

Income/expense resources for the year include:

	2015 £000	2014 £000
One employee		7
Fees payable to staff		7
Profits (loss) on disposal of addresses		

	Unrestricted Funds £000	Restricted General Funds £000	Total 2015 £000	Total 2014 £000
7 Charitable Activities - Academy's educational operations				
Direct Costs:				
Teaching and educational support staff costs		443	443	318
Depreciation		191	191	163
Technology costs		13	13	16
Education support costs		12	12	13
Examination fees		21	21	14
Staff development		8	8	4
Education support costs		0	0	3
Other direct costs		0	0	0
	0	622	622	528
Allocated support costs:				
Support staff costs		164	164	160
Depreciation		0	0	0
Technology costs		1	1	2
Resource and support		5	5	11
Maintenance of premises and equipment		2	2	4
Cleaning		1	1	1
Repairs and maintenance		12	12	62
Energy costs		6	6	10
Insurance		6	6	7
Security and CCTV		0	0	0
Catering		24	24	11
Business and support costs		0	0	0
Direct support costs		23	23	9
FRS 17		0	0	13
		201	201	204
		823	823	832

2 Governance Costs	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Legal and professional fees				
A Solicitors' fees		1	1	5
Auditing, accounting and other services		1	1	2
B Print costs			0	
TOTAL GOVERNANCE COSTS			<u>2</u>	<u>7</u>

3 Staff Costs	Total 2015 £000	Total 2014 £000
Salaries and wages	231	229
Staff expenses	31	27
Pension costs	21	10
FRS 1720 contributions	6	11
Supplies and postage	<u>679</u>	<u>437</u>

The following table shows the number of persons employed during the year ended 31 August 2015 and 2014.

	2015 No	2014 No
Charitable Activities		
Teaching	6	6
Other administrative support	9	5
Management	<u>1</u>	<u>1</u>
TOTAL	<u>16</u>	<u>11</u>

The number of employees whose employment is for a fixed term is as follows:

£50,001 - £75,000	1
£75,001 - £100,000	<u>1</u>

Total staff costs are £679,000 (2014 £437,000) including £121,000 (2014 £121,000) for pension contributions.

- 10 Trustees' Remuneration & Expenses**
- The trustees do not receive any remuneration for their services as trustees. Trustees are reimbursed for expenses incurred in connection with their duties as trustees. Trustees' expenses are reimbursed up to a maximum of £1,000 per annum per trustee.
- Liability (per annum) during the year ended 31 August 2015 and 2014:
- | Rate per annum | 2015 (£000) | 2014 (£000) |
|----------------|-------------|-------------|
| £12,000        | 1           | 1           |
| £8,500         | 1           | 1           |
| £5,000         | 1           | 1           |
| £2,500         | 1           | 1           |
| £1,000         | 1           | 1           |
- 11 Trustees and Officers Insurance**
- The trustees and officers are insured against liability for negligence in connection with their duties as trustees and officers. The insurance cover is for a maximum of £10,000,000 per annum per trustee and officer. The total cost of the insurance for the year ended 31 August 2015 was £1,000 (2014 £1,000).

	Assets under construction €000	Leasehold buildings €000	Equipment €000	Total €000
<b>12 Tangible Fixed Assets</b>				
Cost or valuation				
At 1 September 2014	-	4,831	3-4	4,834
Transfers			54	54
At 31 August 2015		4,834	282	5,116
Accumulated depreciation				
At 1 September 2014		183	83	267
Charge for year		101	81	182
At 31 August 2015		284	164	448
<b>Net book value</b>				
At 1 September 2014		4,648	151	4,799
At 31 August 2015		4,550	220	4,770

At 31 August 2015, the net book value of tangible fixed assets is stated net of depreciation and impairment charges of €448,000. The net book value of tangible fixed assets is stated net of depreciation and impairment charges of €448,000. The net book value of tangible fixed assets is stated net of depreciation and impairment charges of €448,000.

	60 years	10 years	3 years	7 years
Freehold buildings				
Furniture, fittings and equipment				
ICT Equipment				
Leasehold buildings				

Assets of a short-term nature are stated at their carrying amounts less any impairment losses.

	Total 2015 €000	Total 2014 €000
<b>13 Debtors</b>		
Trade debtors	2	2
Prepayments and accrued income	7	7
Other debtors	4	4
<b>Other debtors</b>	<b>13</b>	<b>13</b>

	Total 2015 €000	Total 2014 €000
<b>14 Creditors: amounts falling due within one year</b>		
Amount due to EPA	24	24
Trade creditors	34	42
Other creditors and other liabilities	12	18
Other creditors	0	0
Amounts to be received	12	21
<b>Other creditors</b>	<b>32</b>	<b>105</b>

	Total 2015 €000	Total 2014 €000
<b>Deferred income</b>		
Deferred income at 1 September 2014	3	13
Reserves deferred in the year	4	4
Amounts released from previous years	-	13
Deferred income at 31 August 2015	7	29

Deferred income in the year is due to the first instalment of the funding for 2015-16 received on 1 July 2015.

	Balance as at 1 September 2014 €000	Incoming Resources €000	Resources Expended €000	Gains, Losses and Transfers €000	Balance as at 31 August 2015 €000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	27	604	(634)		20
Start Up Grant	4	111	(111)		4
Capital grant					
Other GAG grants	30	33			63
Other GAG grants to local authority	11	0	(54)		(27)
Partnerships	(15)	1	(1)		(15)
<b>Other GAG grants</b>	<b>87</b>	<b>739</b>	<b>(799)</b>		<b>27</b>
<b>Restricted fixed asset funds</b>					
GAG capital grants	3,831	56	(156)		3,731
Capital grants from GAG	4				4
Partnerships capital grants	673		(13)		660
<b>Other capital grants</b>	<b>4,508</b>	<b>56</b>	<b>(169)</b>		<b>4,395</b>
<b>Total restricted funds</b>	<b>4,923</b>	<b>810</b>	<b>(968)</b>		<b>4,765</b>
<b>Unrestricted funds</b>					
Unrestricted funds	0				0
<b>Total unrestricted funds</b>	<b>0</b>				<b>0</b>
<b>Total Funds</b>	<b>4,923</b>	<b>810</b>	<b>(968)</b>		<b>4,765</b>

The purpose for which the funds are to be applied is to establish the other financial procedures and current fund areas of the Academy opening in September 2012.

Under the funding agreement with the Secretary of State, the Academy trust was subject to a limit on the amount of GAG that could carry forward at 31 August 2015.

The start up grant. This fund must be used for the normal running costs of the Academy.

Start up Grant. This fund must be used for the normal running costs of the Academy.

Other GAG Grants. This fund relates to other grants received which must be used for the purpose intended.

Other Capital Grant Fund. This fund relates to other capital grant funds received which must be used for the purpose intended.

Restricted Fixed Asset Fund. This fund relates to resources which must be applied for specific capital purposes.

16 Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Total funds			4,748	4,748	4,871
Current assets		432		432	329
Current liabilities		(43)		(43)	(132)
Net assets		389		389	197
Total net assets	0	389	4,359	4,748	4,674

17 Capital commitments

Commitments at 31 August  
 Commitments at 31 August 2014

	Total 2015 £000	Total 2014 £000
Total	0	0

18 Reconciliation of net cash flow from operating activities

Profit before tax	(124)	0
Dividend income	191	183
Capital gains from disposals of capital assets	(56)	(110)
Dividend income	13	18
Finance income	(1)	(12)
Finance (incurred) interest	112	127
Net cash outflow from operating activities	110	187

19 Capital expenditure and financial investment

Purchase of property, plant and equipment	(56)	(110)
Capital grants from CCF SFA	56	110
Capital funding received from sponsors and others		
Receipts from sale of capital assets		
Net cash outflow from capital expenditure and financial investment		

20 Analysis of changes in net funds

	Balance at 1 September 2014 £000	Cash flows £000	At 31 August 2015 £000
Cash in hand and at bank	227	117	415
	227	117	415

21 Pension and Other Obligations

The majority of the pension obligations are provided by the Teachers' Pension Scheme (TPS) for members of the TPS and the Local Government Pension Scheme (LGPS) for non-teaching staff. This is regulated by the Pension Regulator. The pension costs are assessed on a regular basis and are included in the financial statements. The TPS and LGPS are both funded by contributions from employers and employees.

Contributions to the TPS and LGPS are included in the financial statements.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory contributory pension scheme for teachers in England. The Teachers' Pension Regulations (2015) (as amended) were made in 2015 by the Teachers' Pension Scheme Regulations 2015 (SI 2015 No. 1000) and the Teachers' Pension Scheme Regulations 2015 (SI 2015 No. 1001) and the Teachers' Pension Scheme Regulations 2015 (SI 2015 No. 1002).

The TPS is a contributory pension scheme for teachers in England. It is a defined contribution scheme and is funded by contributions from employers and employees.

**The Teachers' Pension Building and Valuation Account**

Although members may be eligible for benefits under the scheme, the Teachers' Pension Building and Valuation Account (TPBVA) is a separate account established under the TPS Regulations Act 1992 and amended by the Teachers' Pension Scheme Regulations 2015 (SI 2015 No. 1000) and the Teachers' Pension Scheme Regulations 2015 (SI 2015 No. 1001) and the Teachers' Pension Scheme Regulations 2015 (SI 2015 No. 1002).

The Teachers' Pension Regulations require employers to contribute to the Teachers' Pension Building and Valuation Account (TPBVA) in order to fund the scheme. The contributions are made by employers and employees.

**Valuation of the Teachers' Pension Scheme**

The Teachers' Pension Scheme is valued annually by the Teachers' Pension Scheme Valuation Office (TPSVO). The TPSVO is an independent body established under the TPS Regulations Act 1992 and amended by the Teachers' Pension Scheme Regulations 2015 (SI 2015 No. 1000) and the Teachers' Pension Scheme Regulations 2015 (SI 2015 No. 1001) and the Teachers' Pension Scheme Regulations 2015 (SI 2015 No. 1002).

The TPSVO is responsible for valuing the Teachers' Pension Scheme and for reporting the results of its valuations to the Department for Education. The TPSVO also provides advice to employers and employees on the scheme.

The TPSVO is funded by contributions from employers and employees. The TPSVO also receives contributions from the Government.

During the year the scheme's contribution rate was 10.5%. The TPSVO's deficit for 2015/16 was £1.1 billion, compared with £1.2 billion for 2014/15. The deficit is expected to be reduced to £0.8 billion by 2020/21.

**Teachers' Pension Scheme Changes**

The Teachers' Pension Scheme is subject to a number of changes. The most significant changes are the changes to the contribution rate and the changes to the pensionable earnings base.

**Local Government Pension Scheme**

The Local Government Pension Scheme (LGPS) is a contributory pension scheme for local government employees in England. The LGPS is a defined contribution scheme and is funded by contributions from employers and employees.

**Principal Assumptions**

	At 31 August 2015	At 31 August 2014
Rate of increase in cost of living	4.6%	4.5%
Rate of increase for pensionable earnings	3.0%	3.0%
Discount rate for liabilities	3.0%	3.0%

The above assumptions are based on the assumptions used in the Teachers' Pension Scheme Valuation Office's (TPSVO) valuations. The TPSVO also provides advice to employers and employees on the scheme.

**At 31 August 2015**

Acting Chief Executive  
 £21

Acting Chief Executive  
 £21

22 Pension and Other Obligations (continued)

The following table shows the fair value of the scheme assets and the expected return at 31 August 2015

	Expected return at 31 August 2015	Fair value at 31 August 2015 (£'000)	Expected return at 31 August 2014	Fair value at 31 August 2014 (£'000)
Equities	3.6%	42	8.3%	32
Bonds	2.0%	6	3.4%	8
Property	3.6%	8	4.8%	3
Cash	3.6%	3	2.3%	1
Total market value of assets		<u>59</u>		<u>44</u>
Present value of liabilities		(77)		(54)
Surplus/(deficit) in the scheme		<u>(18)</u>		<u>(10)</u>
The contribution on scheme assets was £74				
Amounts recognised in the statement of financial position		2015 (£'000)		
Current assets (net of long-term liabilities)		(17)		
Fixed assets		<u>(1)</u>		
Total netting surplus		<u>(18)</u>		
Analysis of pension finance income (costs)				
Expected return on investments		(3)		
Liability on pension benefits		<u>3</u>		
Pension finance income (costs)		<u>(1)</u>		

The principal risks and controls for the current year are reported in Part 2 of the Annual Report. The current year's contribution was £74,000, as reported in the statement of financial position for 2015.

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

	2015 (£'000)
At 1 September	55
Current year contributions	17
Interest cost	2
Expected return on investments	3
Acting on pension benefits	(19)
At 31 August	<u>58</u>

Pension and Other Obligations (continued)

Local Government Pension Schemes (continued)

Movements in the fair value of employer's share of scheme assets

	2015 (£'000)
At 1 September	41
Expected return on investments	3
Acting on pension benefits	(19)
Expected return on investments	11
Expected contributions	3
At 31 August	<u>39</u>

The following table shows the employer's contributions for the year ended 31 August 2015 (£15k)

The five year history of experience adjustments is as follows:

	2015 (£'000)	2014 (£'000)	2013 (£'000)
Present value of defined benefit obligations	77	56	24
Fair value of share of scheme assets	(54)	(41)	(22)
Deficit in the scheme	<u>(23)</u>	<u>(15)</u>	<u>(2)</u>

23 Related parties

The members of the governing body are representatives of South Ayrshire Council, the local authority of the Council's area.

The Council has taken a number of steps to ensure that the Council's interests are protected. The Council has a policy on related party transactions. The Council's policy is to ensure that any related party transaction is in the best interests of the Council and does not result in a conflict of interest.

24 Members' liability

Each member of the Council is liable to contribute to the costs of the Council's activities. The Council's policy is to ensure that any related party transaction is in the best interests of the Council and does not result in a conflict of interest.