

AMENDED

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

This report and financial statements are now the Statutory Accounts for the year ended 31 August 2015 and replace the original accounts. The original accounts contained some notes which were unreadable. These amended accounts are prepared as they were at the date of the original accounts.

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

Members
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 & Butters, 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 31st 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.

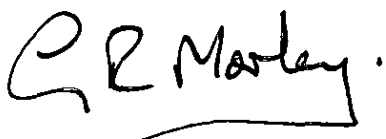
The growth in numbers for post 16 learners can be accommodated within the existing buildings occupied by the academy.

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 17th 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)

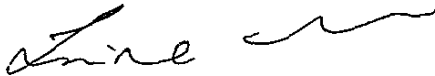
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system in place.

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



G Morley

Chair



L Makin

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

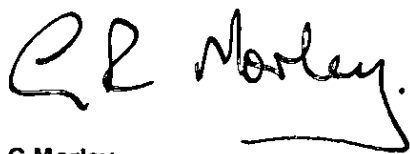
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 EFA/DfE 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

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

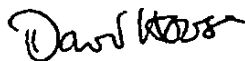
Opinion on other matter prescribed by the Companies Act 2006

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.

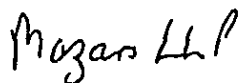
Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything 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)

	Notes	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2015	Total 2014
		£000	£000	£000	£000	£000
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	3	-	-	-	-	-
Activities for generating funds	4	-	7	-	7	9
Investment income		-	-	-	-	-
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	5	-	753	56	809	819
Total incoming resources		0	760	56	816	828
Resources expended						
<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
Total resources expended		0	769	181	950	834
Net incoming / (outgoing) resources before transfers		0	(9)	(125)	(134)	(6)
Gross transfers between funds		-	-	-	-	-
Net income/(expenditure) for the year		0	(9)	(125)	(134)	(6)
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes		-	(6)	-	(6)	(18)
Net movement in funds		0	(15)	(125)	(140)	(24)
Reconciliation of funds						
Funds brought forward at 1 September 2014		-	57	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

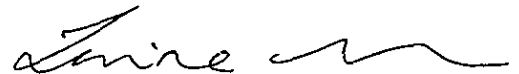
Balance sheet
 as at 31 August 2015

		2015	2015	2014	2014
		£000	£000	£000	£000
Fixed assets					
Tangible assets	12		4,746		4,871
Current assets					
Stock		-		-	
Debtors	13	13		26	
Cash at bank and in hand		419		303	
		<u>432</u>		<u>329</u>	
Creditors: Amounts falling due within one year	14	<u>(368)</u>		<u>(257)</u>	
Net current assets			<u>64</u>		<u>72</u>
Total assets less current liabilities			4,810		4,943
Net assets excluding pension liability			4,810		4,943
Net pension liability			(21)		(15)
Net assets including pension liability			<u>4,789</u>		<u>4,928</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund(s)	16	4,746		4,871	
General fund - excluding pension reserve	15	64		72	
Pension reserve	15	(21)		(15)	
Total Restricted funds		<u>4,789</u>		<u>4,928</u>	
Unrestricted funds					
General fund(s)	15	-		-	
Total Unrestricted funds		<u>-</u>		<u>-</u>	
Total Funds		<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 Maldn
 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 2006. 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 State the academy was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2015.

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
3 Voluntary Income					
Gifts In Kind	-	-	-	-	-
Donations - Capital	-	-	-	-	-
Private sponsorship	-	-	-	-	-
Other Donations	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

4 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Student visits	-	6	-	6	9
FRS 17	-	1	-	1	1
	<u>-</u>	<u>7</u>	<u>-</u>	<u>7</u>	<u>9</u>

5 Funding for Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
DfE/EFA revenue grant	-	-	-	-	-
General Annual Grant (GAG)	-	604	-	604	454
Start Up Grants	-	111	-	111	151
Capital Grant	-	-	56	56	118
Other DfE/EFA grants	-	38	-	38	50
Other Government grants - local authority grants	-	0	-	0	47
	<u>0</u>	<u>753</u>	<u>56</u>	<u>809</u>	<u>819</u>

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure Premises £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					
Direct costs	454	181	46	681	535
Allocated support costs	170	16	74	260	306
	<u>624</u>	<u>197</u>	<u>120</u>	<u>941</u>	<u>841</u>
Governance costs including allocated support costs	-	-	8	8	7
	<u>624</u>	<u>197</u>	<u>128</u>	<u>949</u>	<u>848</u>

Incoming/outgoing resources for the year include

	2015 £000	2014 £000
Operating leases	-	-
Fees payable to auditor - audit	8	7
- other services	-	-
Profit/(loss) on disposal of fixed assets	-	-

7 Charitable Activities - Academy's educational operations

	Unrestricted Funds £000	Restricted General Funds £000	Total 2015 £000	Total 2014 £000
Direct Costs				
Teaching and educational support staff costs	-	448	448	316
Depreciation	-	181	181	163
Technology costs	-	13	13	16
Educational supplies	-	13	13	23
Examination fees	-	21	21	14
Staff development	-	6	6	4
Educational consultancy	-	0	0	3
Other direct costs	-	0	0	0
	<u>0</u>	<u>682</u>	<u>682</u>	<u>539</u>

7 Charitable Activities - Academy's educational operations (continued)

	Unrestricted Funds £000	Restricted General Funds £000	Total 2015 £000	Total 2014 £000
Allocated support costs				
Support staff costs	-	164	164	160
Depreciation	-	0	0	0
Technology costs	-	1	1	2
Recruitment and support	-	5	5	14
Maintenance of premises and equipment	-	2	2	4
Cleaning	-	1	1	1
Rent & rates	-	13	13	64
Energy costs	-	6	6	16
Insurance	-	6	6	7
Security and transport	-	0	0	0
Catering	-	24	24	11
Bank interest and charges	-	0	0	0
Other support costs	-	33	33	9
FRS 17	-	6	6	18
	-	261	261	306
	-	943	943	845

8 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Legal and professional fees				
Auditor's remuneration				
Audit of financial statements	-	5	5	5
Other audit costs	-	3	3	2
Support staff costs	-	-	0	-
Trustees' reimbursed expenses	-	-	0	-
	-	8	8	7

9 Staff Costs

	Total 2015 £000	Total 2014 £000
Staff costs during the period were		
Wages and salaries	521	399
Social security costs	33	27
Pension costs	64	50
FRS 17 retirement benefits credit/costs	6	18
	624	494
Supply teacher costs	-	-
Compensation payments	-	-
	-	-

The average number of persons (including senior management) employed by the academy during the year expressed as full time equivalents was as follows

	2015 No.	2014 No.
Charitable Activities		
Teachers	5	5
Administration and support	9	5
Management	1	1
	15	11

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

	2015	2014
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1

Ten of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £53k. Four other employees participated in the Local Government Pension Scheme, pension contributions amounted to £11k.

10 Trustees' Remuneration & Expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services of trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect their role as trustees. The value of trustees' remuneration was as follows

L Makin (principal and accounting officer)
Remuneration £85,001 - £90,000 (2014 £80,001 - £85,000)
Employer's pension contributions £12,001 - £12,500 (2014 £9,001 - £9,500)

During the year ended 31 August 2015, travel and subsistence expenses totalling £124.00 were reimbursed to 1 trustees

Other related party transactions involving the trustees are set out in note 23

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2015 was £5,558. The cost of this insurance is included in the total insurance cost.

	Assets under construction £000	Leasehold buildings £000	Equipment £000	Total £000
12 Tangible Fixed Assets				
<i>Cost or valuation</i>				
At 1 September 2014	-	4,834	306	5,140
Transfers	-	-	-	-
Additions	-	-	56	56
Disposals	-	-	-	-
At 31 August 2015	-	4,834	362	5,196
<i>Accumulated depreciation</i>				
At 1 September 2014	-	183	86	269
Charge for year	-	100	81	181
Eliminated in respect of disposals	-	-	-	-
At 31 August 2015	-	283	167	450
<i>Net book value</i>				
At 31 August 2015	-	4,551	195	4,746
At 31 August 2014	-	4,651	220	4,871

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

Depreciation is provided on all tangible 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, as follows,

Freehold buildings	50 years
Fixtures, fittings and equipment	10 years
ICT Equipment	3 years
Motor Vehicles	7 years

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

	Total 2015 £000	Total 2014 £000
13 Debtors		
Trade debtors	2	2
Prepayments and accrued income	7	-
Other debtors - taxation	4	-
Other debtors	-	24
	<u>13</u>	<u>26</u>
	Total 2015 £000	Total 2014 £000
14 Creditors - amounts falling due within one year		
Amount due to EFA	256	74
Trade creditors	34	120
Other taxation and social security	19	16
Other creditors	0	8
Accruals and deferred income	59	39
	<u>368</u>	<u>257</u>
	Total 2015 £000	Total 2014 £000
Deferred income		
Deferred income at 1 September 2014	8	13
Resources deferred in the year	5	8
Amounts released from previous years	-8	-13
Deferred income at 31 August 2015	<u>5</u>	<u>8</u>

Deferred income in the year relates to the first instalment of Pupil Premium funding for 2015-16 received in July 2015.

15 Funds

	Balance as at September 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance as at 31 August 2015 £000
Restricted general funds					
General Annual Grant (GAG)	27	604	(604)	-	26
Start Up Grant	4	111	(111)	-	4
Capital grant	-	-	-	-	-
Other DfE/EFA grants	30	38	-	-	68
Other Government grants - local authority grants	-	-	-	-	-
Other Income	11	6	(54)	-	(37)
Pension reserve	(15)	1	(6)	-	(20)
	<u>57</u>	<u>760</u>	<u>(775)</u>	<u>-</u>	<u>43</u>
Restricted fixed asset funds					
DfE capital grants	3,881	56	(156)	-	3,781
Capital expenditure from GAG	4	-	-	-	4
Private sector capital sponsorship	986	-	(25)	-	961
	<u>4,871</u>	<u>56</u>	<u>(181)</u>	<u>-</u>	<u>4,746</u>
Total restricted funds	<u>4,928</u>	<u>816</u>	<u>(956)</u>	<u>-</u>	<u>4,789</u>
Unrestricted funds					
Unrestricted funds	0	-	-	-	0
Total unrestricted funds	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>
Total Funds	<u>4,928</u>	<u>816</u>	<u>(956)</u>	<u>-</u>	<u>4,789</u>

The specific purposes for which the funds are to be applied are to establish the infrastructure, policies, procedures and curriculum in advance 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 it could carry forward at 31 August 2015

General Annual 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 DfE/EFA Grants. This fund relates to other grants received which must be used for the purpose intended

Other Restricted Fund. This fund relates to all other restricted 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
Tangible fixed assets			4,746	4,746	4,871
Current assets		432		432	330
Current liabilities		(368)		(368)	(257)
Pension scheme liability		(21)		(21)	(15)
Total net assets	<u>0</u>	<u>43</u>	<u>4,746</u>	<u>4,789</u>	<u>4,929</u>

17 Capital commitments

Commitments contracted for at 31 August

Commitments authorised but not contracted for at 31 August

	Total 2015 £000	Total 2014 £000
Commitments contracted for at 31 August	-	-
Commitments authorised but not contracted for at 31 August	-	-
	<u>Total 2015 £000</u>	<u>Total 2014 £000</u>

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

Net income	(134)	6
Depreciation (note 11)	181	163
Capital grants from DfE and other capital income	(56)	(118)
Decrease in debtors	13	46
FRS17 movements	(6)	(18)
Increase/(decrease) in creditors	118	110
Net cash outflow from operating activities	<u>116</u>	<u>189</u>

	Total 2015 £000	Total 2014 £000
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19 Capital expenditure and financial investment

Purchase of tangible fixed assets	(56)	(118)
Capital grants from DfE/EFA	56	118
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
Net cash outflow from capital expenditure and financial investment	<u>-</u>	<u>-</u>

20 Analysis of changes in net funds

	Balance as at 1 September 2014		Cash flows		At 31 August 2015	
	£000		£000		£000	
Cash in hand and at bank		302		117		419
		<u>303</u>		<u>117</u>		<u>419</u>

21 Pension and Similar Obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire County Council. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £8k were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

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

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

Teachers' Pension Scheme Changes

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £15k, of which employer's contributions totalled £11k and employees' contributions totalled £3k. The agreed contribution rates for future years are 16.2% per cent for employers and for employees the contributions are now graduated according to salary within the range 5.5% to 7.5%.

Principal Actuarial Assumptions

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	4.60%	4.50%
Rate of increase for pensions in payment/inflation	2.70%	2.70%
Discount rate for scheme liabilities	3.80%	3.70%

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

	At 31 August 2015
<i>Retiring today</i>	
Males	22.1
Females	24.3
<i>Retiring in 20 years</i>	
Males	24.3
Females	26.6

22 Pension and Similar Obligations (continued)

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £000	Expected return at August 2014	Fair value at 31 August 2014 £000
Equities	3.8%	42	6.3%	32
Bonds	3.8%	6	3.4%	5
Property	3.8%	5	4.5%	3
Cash	3.8%	3	3.3%	1
Total market value of assets		56		41
Present value of scheme liabilities				
- Funded		(77)		(56)
Surplus/(deficit) in the scheme		(21)		(15)

The actual return on scheme assets was £3k

Amounts recognised in the statement of financial activities

	2015 £000
Current service cost (net of employee contributions)	(17)
Past service cost	-
Total operating charge	(17)
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	(3)
Interest on pension liabilities	2
Pension finance income/(costs)	(1)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £1k loss.

Movements in the present value of defined benefit obligations were as follows:	2015 £000
At 1 September	56
Current service cost	17
Interest cost	2
Employee contributions	3
Actuarial (gain)/loss	(1)
At 31 August	77

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

	2015 £000
At 1 September	41
Expected return on assets	3
Actuarial (gain)/loss	(2)
Employer contributions	11
Employee contributions	3
At 31 August	56

The estimated value of employer contributions for the year ended 31 August 2016 is £11k.

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	(56)	(41)	(22)
Deficit in the scheme	21	15	2

23 Related parties note

Six members of the governing body are representatives of South Staffordshire College, the lead sponsor of the Rural Enterprise Academy.

The Academy had a balance of £2k relating to revenue costs owed by South Staffordshire College as at 31 August 2015.

During 2014-15 South Staffordshire College recharged the academy £30k relating to administration support. This amount is included within creditors.

24 Members' Liability

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