

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2015

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**THE BLACK PEAR TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2015**

Trustees

A M Burkert (appointed 5 March 2014)^{1,3}
K Burston (appointed 5 March 2014, resigned 7 May 2014)¹
P A Clayton, Chair of Trustees (appointed 5 March 2014)^{1,2,3}
P Clayton (appointed 5 March 2014)²
P J Collins (appointed 5 March 2014)^{1,3}
J Cook (appointed 5 March 2014)^{1,2}
V D Cranton, Headteacher (appointed 5 March 2014)^{1,2,3}
D P Davies (appointed 5 March 2014)^{1,2}
N S Day (appointed 5 March 2014, resigned 31 May 2014)
A Maciaszek-Skubinska (appointed 16 September 2014)^{1,2}
J M Harkins (appointed 5 March 2014)^{1,2}
C Hunt (appointed 17 March 2015)²
D M Lloyd (appointed 5 March 2014, resigned 31 August 2014)^{1,2}
T Reed (appointed 14 July 2014)²
P D Shoesmith (appointed 5 March 2014)^{1,3}
S E Wood (appointed 5 March 2014)^{1,3}

- ¹ Member
² Learning & Teaching
³ Finance

**Company registered
number**

08922754

**Principal and registered
office**

Hollymount Road
Worcester
Worcestershire
WR4 9SG

Accounting Officer

V D Cranton

**Senior management
team**

V D Cranton, Headteacher
A Donnelly, Deputy Headteacher
S E Wood, Deputy Headteacher
E Pritchard, Assistant Headteacher
R Hussain, Assistant Headteacher
L Hall, Assistant Headteacher (resigned 31 August 2015)
L Weston, Inclusion Manager

Independent auditors

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Bankers

Lloyds Bank PLC
4 The Cross
Worcester
WR1 3PY

Solicitors

Kippax Beaumont Lewis
28 Mawdsley Street
Bolton
BL1 1LF

**THE BLACK PEAR TRUST
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**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 1 primary academy in the Tolladine area of Worcester, being Hollymount School (formerly known as Gorse Hill Primary School). The academy has a combined pupil capacity of 350 and had a roll of 326 in the school census on 1 May 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy (which was incorporated on 5 March 2014 and opened as an Academy on 1 June 2014) 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.

The Trustees of The Black Pear Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £5,000,000.

TRUSTEES

Method of recruitment and appointment or election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 3 Trustees who are appointed by members; and
- the Headteacher who is treated for all purposes as being an ex officio Governor.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

**THE BLACK PEAR TRUST
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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015**

Organisational Structure

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees delegate the responsibility for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments to the Local Governing Body.

The Trustees and Local Governing Body have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, and the Assistant Heads. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher, Academy Business Manager and Finance Committee are responsible for the authorisation of spending within agreed budgets; some spending control is devolved to Budget Holders. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts usually include a Governor.

The Headteacher is the Accounting Officer.

Connected Organisations, including Related Party Relationships

The Academy has collaborative links with other city primary schools which form part of the Worcester City heads group.

There are no related parties which either control or significantly influence the decisions and operations of the Black Pear Trust. There are no sponsors associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Hollymount School to provide free education and care for pupils of different abilities. The Academy's specialism is its holistic approach which support all children in achieving success.

The aims of the Academy during the year/period ended 31 August 2015 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, including extra curricular activities;
- to develop students as more effective learners;
- to develop the Academy site so that it enables students to achieve their full potential;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to maximise the number of students who achieve Combined Level 4 in Reading, Writing and Mathematics;
- to provide value for money for the funds expended;
- to develop greater coherence, clarity and effectiveness in school systems;
- to comply with all appropriate statutory and curriculum requirements;
- to develop the Academy's capacity to manage change; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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

Objectives, Strategies and Activities

Key priorities for the year are contained in our School Development Plan which is available from the School Office. Improvement focuses identified for this year include:

- The school improvement plan identifies strategies to develop and raise the profile of speaking and listening across the whole curriculum throughout the school. This will also support improvements in grammar and writing as well as improving individuals with their skills in communication.

Outcomes for pupils:

- To maintain accelerated progress of vulnerable pupils and will continue to close the gap between the schools PP pupils compared with the national average;
- Improved speaking and listening impacts upon pupils English skills, particularly punctuation and grammar within writing, and allows them to articulate their knowledge and understanding;
- At least 85% of pupils have the skills to attain at least national average expectations and all make excellent progress in English and Maths from their starting points; and
- At least 56% of Reception children will achieve GLD.

Personal development, behaviour & welfare:

- Pupils are confident and self-assured when communicating with peers and adults in a range of situations;
- Pupils effectively self and peer assess their progress within speaking and listening and are eager to improve; and
- Mentoring programme is established in the school and several trained pupils are expected to be role models being good listeners and supportive in resolving issues with their peers.

Enhancement:

- A range of well established clubs support the school's speaking and listening focus, such as problem solving, book club and drama. Pupils are targeted and encouraged to attend; and
- The school collaborates closely with community organisations which provide opportunities for speaking and listening.

Teaching & learning:

- Matched learning enables individuals and groups to be challenged within their learning;
- Technology is used effectively by staff and pupils to develop and enhance Literacy skills and encourage high quality speaking and listening such as through the use of film and audio;
- Teachers and senior management have extensive knowledge of speaking and listening teaching approaches and are fully confident in delivering lessons across the curriculum which focus on speaking and listening; and
- Teachers plan for and use a range of strategies to support EAL learners.

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

Strategies of leadership & management:

- A specific speaking and listening steering group (including governors, TAs) meet regularly to plan and monitor development of speaking and listening across the school, ensuring a consistent and effective whole school approach;
- Leaders and governors actively seek views of staff, pupils and parents to effectively measure impact of actions in key areas;
- Induction of middle leaders to the extended leadership team;
- EAL lead provides speaking and listening advice and resources to parents to develop knowledge and understanding of spoken and written English; and
- Parents and carers are well aware of the importance of speaking and listening skills through workshops and information skills.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Tolladine and Gorse Hill and the surrounding area. In particular, but without prejudice to the generality of the foregoing by maintaining, managing and developing our school and offering a broad curriculum.

The Academy provides facilities for recreational and other leisure time occupation for the community. As an Academy we have a duty to support other schools. We continue to do this through our work with the LA, supporting leadership in other schools and supporting KS1 and KS2 moderations.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its first year of operation and has exceeded the forecast number of students. The total number of students in the year ended 31 August 2015 was 326 but this has increased to 364 in September 2015 due to an increased Reception year intake. Although there are spaces in each year group the Academy has exceeded its capacity by 14 students.

Highlights of the 14/15 academic year:

- The percentage of pupils leaving Reception achieving early learning goals has risen to 55% from 42%;
- The gap between attainment in Writing and Reading at the end of KS2 has been narrowed to 3%;
- Percentage of level 5+ has increased in Reading, Writing, SPAG and Maths, with notable improvement in Maths which has risen from 13% to 32% (6% level 6);
- The number of 2b+ at the end of KS1 has increased in English and Maths;
- Attendance has risen 1% to 96%;
- AFA, Arts mark and Science gold mark achieved;
- New curriculum established and assessment system for English and Maths;
- Key policies redrafted and embedded;
- New SEND legislation met;
- PFA Association continues to grow; and
- The trust is looking to expand with the inclusion of Fort Royal Special School.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. As this was the Academy's first year the aim was to set guidelines for future years and to have a reasonable reserve at the end of the year.

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

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2015 were 326, an increase over 2014. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2015 this was 93%.

KPI	Target	Actual
Pupil to teacher ratio	1:25	1:24
Teaching to non-teaching staff ratio	1:2	1:2
Student attendance %	95.5	96
Exam success	To improve 2B at Ks 1. To increase Level 5s at KS2. Reception GLD to increase	All achieved maths Level 5 32%GLD 42% to 55%
External accreditation	Arts mark, Naace mark, AFA and Science mark	Arts Mark, AFA and Science gold achieved

The school has a large number of teaching assistants which means that we exceed the teaching to non-teaching staff ratio. However there are a number of specialist teaching assistants and support assistants who increase this number. Three support staff employed were to support children with specific additional needs.

The positive test results can be attributed to the good teaching of staff, successful interventions in KS2 and careful monitoring of progress throughout the year.

The heightened awareness of attendance can be attributed to the change of the reward trip to half termly intervals rather than termly.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2015, the Academy received total income of £3,940,147 and incurred total expenditure of £2,216,299. The excess of income over expenditure for the year was £1,723,848.

At 31 August 2015 the net book value of fixed assets was £1,792,377 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 March 2015 at £1,678,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share £323,009 was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees have determined that the appropriate level of free reserves should be approximately £112,225, which is equivalent to one months EFA funding. 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 or a fall in pupil numbers resulting in losing a class but not wanting to lose a teacher. Total reserves of the academy (excluding the defined benefit pension scheme reserve) amount to £2,169,848, although £1,814,019 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £355,829 (representing £255,829 unrestricted funds and £100,000 unspent Primary Chain Development Grant) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

At present the academy has no substantial money to invest; the trustees will keep this under review and when appropriate take steps to invest.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 99% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

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

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 24 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels.

The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our School Development Plan, which is available on our website or from the School Office.

We plan to maintain small class sizes with a teaching assistant in each class which will reflect in academic outcomes being improved.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The financial statements include the results of a conversion grant of £100,000 which is under the control of the Trustees of the Academy Trust. This is for the planned expansion of the Trust to include Fort Royal Special School and Perryfields Short Stay School, however at present these conversions have not been completed.

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

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 24 November 2015 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'P A Clayton', with a stylized flourish at the end.

**P A Clayton
Chair of Trustees**

**THE BLACK PEAR TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Black Pear Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The Board of Trustees has formally met 6 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A M Burkert	6	6
K Burston	0	0
P A Clayton, Chair of Trustees	6	6
P Clayton	4	6
P J Collins	6	6
J Cook	5	6
V D Cranton, Headteacher	5	6
D P Davies	3	6
N S Day	4	4
A Maciaszek-Skubinska	3	6
J M Harkins	4	6
C Hunt	1	6
D M Lloyd	1	1
T Reed	6	6
P D Shoesmith	4	6
S E Wood	1	6

Governance reviews:

Now that the trust has been running for 12 months a review will take place for the Spring term 2016 this will mean that it will have completed one financial year and the audit will be complete.

The **Finance and Audit Committee** is a sub-committee of the main Board of Trustees. Its purpose is to:

- To guide and assist the Governing Body and Principal in all matters relating to budgeting and finance.
- To prepare the annual budget for the approval of the Governing Body.
- To oversee the preparation of the 3-year budget plan and ensure it links with the School Development Plan priorities agreed by the Governing Body.
- To monitor and review day-to-day financial management of the school budget for the approval of the Governing Body.
- To make sure all resources are allocated in line with the school's strategic priorities.
- To ensure all assets and financial resources are efficiently used.
- To benchmark school financial performance and report it to the full Governing Body.
- To review and update the Financial Policy annually and recommended levels of delegation.
- To make decisions concerning awards of tendered contracts and take part in the tendering process where appropriate.
- To report on the school's finances at full Governing Body meetings.
- To ensure accurate accounts are kept.

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GOVERNANCE STATEMENT (continued)

- To monitor monthly expenditure and ensure corrective action is taken when necessary.
- To ensure that all financial transactions are in line with best value principles.
- To receive the auditors' report and to recommend to the Board of Governors action as appropriate in response to audit findings.
- To ensure the school maintains an up-to-date asset register.
- To annually review Governors' allowances.
- To review financial policy statements, including consideration of long term plans and resources for the approval of the Governing Body.
- To ensure that non-public funds (e.g.: the school's private funds) are audited annually and that a certificate of audit is presented to the Governing Body.
- To evaluate and present the annual statement of Internal Controls to the Governing Body.

Issues met during the last 15 months:

- Change from an annual payment to a monthly payment from the EFA
- Unknown costs occurred as an academy as opposed to being a LA maintained school
- Setting an appropriate reserve amount
- Finding the right insurance which has now been resolved due to introduction of RPA
- Delays in the installation of the accounting software

During the year there were no changes to the finance committee. Attendance at meetings in the year was as follows:

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
P Shoesmith (Chair of Finance Committee)	3	3
V Cranton	2	3
S Wood	1	3
P A Clayton	1	3
P Collins	3	3
A Burket	2	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- **Achievement and Attainment**
Hollymount School, presently the only school in the trust, has attained educational outcomes broadly in line with average, good achievement outcomes and is closing the attainment gap between the disadvantaged and non- disadvantaged pupils. Targeted use of pupil premium money 2014-15 meant that more than half of the disadvantage pupils in year 6 made more than expect progress, compared with a third of children nationally.
- **Resources**
Governors and senior members of staff deploy equipment, materials and services to provide students and staff with resources which support quality of teaching and quality of learning. Monitoring of spend on resources is effective in reducing unnecessary purchasing.

GOVERNANCE STATEMENT (continued)

- Purchasing
Governors and senior members of staff have procedures in place for assessing need and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost. These include:

A competitive tendering procedure for goods and services above £20,000,
Three written quotes for goods and services over £5,000,
Procedures for accepting "best value" quotes which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship),
The use of a Black Pear Trust credit card enables the school to purchase low value items which minimises administration cost,
An annual budget is prepared in line with the needs identified within the School Development Plan,
Regular monitoring and review of all aspects of finance through the Finance and Audit Committee, with detailed financial statements discussed.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Black Pear Trust for the period 1 June 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 1 June 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

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

- Employment contracts

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GOVERNANCE STATEMENT (continued)

- Accounting systems
- Payroll
- Income
- Expenditure
- Systems & procedures

On a quarterly basis, the auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the external auditors and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 24 November 2015 and signed on its behalf, by:



P A Clayton
Chair of Trustees



V D Cranton
Accounting Officer

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Black Pear Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



**V D Cranton
Accounting Officer**

Date: 24 November 2015

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015**

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**P A Clayton
Chair of Trustees**

Date: 24 November 2015

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BLACK PEAR TRUST

We have audited the financial statements of The Black Pear Trust for the period ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BLACK PEAR TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date:

15th December 2015.

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE BLACK PEAR TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 3 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Black Pear Trust during the period 1 June 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 Black Pear Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Black Pear Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Black Pear Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE BLACK PEAR TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Black Pear Trust's funding agreement with the Secretary of State for Education dated 29 May 2014, and the Academies Financial Handbook extant from 1 September 2013, 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 June 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

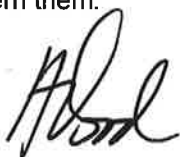
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE BLACK PEAR TRUST AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

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



Andrew Wood FCCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 1st December 2015.

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	15 months ended 31 August 2015 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Transfer on conversion	2	323,009	(424,750)	1,780,489	1,678,748
Other voluntary income	2	1,159	15,676	-	16,835
Activities for generating funds	3	24,802	-	-	24,802
Investment income	4	427	-	-	427
Incoming resources from charitable activities	5	117,870	2,079,597	21,868	2,219,335
TOTAL INCOMING RESOURCES		467,267	1,670,523	1,802,357	3,940,147
RESOURCES EXPENDED					
Charitable activities		207,688	1,880,905	106,452	2,195,045
Governance costs	6	-	21,254	-	21,254
TOTAL RESOURCES EXPENDED	9	207,688	1,902,159	106,452	2,216,299
NET INCOMING / (OUTGOING)					
RESOURCES BEFORE TRANSFERS		259,579	(231,636)	1,695,905	1,723,848
Transfers between Funds	17	(3,750)	(114,364)	118,114	-
NET INCOME FOR THE PERIOD		255,829	(346,000)	1,814,019	1,723,848
Actuarial gains and losses on defined benefit pension schemes		-	(24,000)	-	(24,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		255,829	(370,000)	1,814,019	1,699,848
Total funds at 1 June 2014		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2015		255,829	(370,000)	1,814,019	1,699,848

All of the Academy's activities derive from acquisitions in the current financial period.

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

The notes on pages 23 to 41 form part of these financial statements.

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08922754

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £
FIXED ASSETS			
Tangible assets	14		1,792,377
CURRENT ASSETS			
Debtors	15	126,982	
Cash at bank and in hand		436,731	
		<u>563,713</u>	
CREDITORS: amounts falling due within one year	16	(186,242)	
NET CURRENT ASSETS			<u>377,471</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,169,848</u>
Defined benefit pension scheme liability	23	(470,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>1,699,848</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	17	100,000	
Restricted fixed asset funds	17	1,814,019	
		<u>1,914,019</u>	
Restricted funds excluding pension liability		1,914,019	
Pension reserve		(470,000)	
		<u>1,444,019</u>	
Total restricted funds			1,444,019
Unrestricted funds	17		255,829
TOTAL FUNDS			<u><u>1,699,848</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 24 November 2015 and are signed on their behalf, by:



P A Clayton
Chair of Trustees

The notes on pages 23 to 41 form part of these financial statements.

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	15 months ended 31 August 2015 £
Net cash flow from operating activities	19	553,063
Returns on investments and servicing of finance	20	427
Capital expenditure and financial investment	20	(116,759)
INCREASE IN CASH IN THE PERIOD		436,731

All of the cash flows are derived from acquisitions in the current financial period.

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

	15 months ended 31 August 2015 £
Increase in cash in the period	436,731
MOVEMENT IN NET FUNDS IN THE PERIOD	436,731
NET FUNDS AT 31 AUGUST	436,731

The notes on pages 23 to 41 form part of these financial statements.

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1.3 INCOMING RESOURCES

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

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

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

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.4 RESOURCES EXPENDED

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the period ended 31 August 2015.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

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

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

Long term leasehold property	-	Land 125 Years, Buildings 50 Years
Motor vehicles	-	20% Straight Line
Fixtures and fittings	-	50% Straight Line
Computer equipment	-	33% Straight Line

1.7 OPERATING LEASES

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

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.8 TAXATION

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

1.9 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.10 CONVERSION TO AN ACADEMY TRUST

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

The assets and liabilities transferred on conversion from Gorse Hill Primary School to an Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Black Pear Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	15 months ended 31 August 2015 £
Transfer on conversion	323,009	1,355,739	1,678,748
Donations	1,159	15,676	16,835
Voluntary income	324,168	1,371,415	1,695,583

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	15 months ended 31 August 2015 £
Lettings	3,504	-	3,504
External Catering	3,200	-	3,200
Consultancy	2,000	-	2,000
Other	16,098	-	16,098
	24,802	-	24,802

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	15 months ended 31 August 2015 £
Bank interest	427	-	427

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	15 months ended 31 August 2015 £
Education	7,872	2,101,465	2,109,337
Nursery	109,998	-	109,998
	117,870	2,101,465	2,219,335

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	15 months ended 31 August 2015 £
DfE/EFA revenue grants			
Capital Grants	-	7,258	7,258
General Annual Grant	-	1,709,043	1,709,043
Start up Grants	-	100,000	100,000
Other DfE/EFA grants	-	221,855	221,855
	-	2,038,156	2,038,156
Other government grants			
High Needs	-	48,699	48,699
Other government grants: capital	-	14,610	14,610
	-	63,309	63,309
Other funding			
Sales to students	7,872	-	7,872
	7,872	-	7,872
	7,872	2,101,465	2,109,337

6. GOVERNANCE COSTS

	15 months ended 31 August 2015 £
Auditors' remuneration	7,970
Auditors' non audit costs	2,959
Legal and Professional	10,325
	21,254

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

7. DIRECT COSTS

	15 months ended 31 August 2015 £
Pension finance costs	7,893
Educational supplies	40,130
Staff development	15,593
Other costs	14,101
Supply teachers	7,759
Technology costs	6,430
Wages and salaries	1,138,824
National insurance	76,070
Pension cost	147,274
Depreciation	92,258
	<u>1,546,332</u>

8. SUPPORT COSTS

	15 months ended 31 August 2015 £
Pension finance costs	9,107
Educational supplies	7,096
Other costs	41,439
Maintenance of premises and equipment	60,216
Cleaning	3,390
Rent and rates	11,681
Energy costs	20,273
Insurance	32,613
Security and transport	19,900
Catering	85,475
Technology costs	25,396
Office overheads	25,506
Legal and professional	71,968
Bank interest and charges	128
Wages and salaries	179,311
National insurance	4,705
Pension cost	36,315
Depreciation	14,194
	<u>648,713</u>

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

9. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total
	2015	Premises	Other	2015
	£	2015	2015	£
		£	£	
Direct costs	1,369,927	40,454	135,951	1,546,332
Support costs	220,331	115,460	312,922	648,713
CHARITABLE ACTIVITIES	1,590,258	155,914	448,873	2,195,045
GOVERNANCE	-	-	21,254	21,254
	1,590,258	155,914	470,127	2,216,299

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	15 months ended 31 August 2015 £
Depreciation of tangible fixed assets:	
- owned by the charity	106,452
Auditors' remuneration	7,970
Auditors' remuneration - non-audit	2,959

11. STAFF

a. Staff costs

Staff costs were as follows:

	15 months ended 31 August 2015 £
Wages and salaries	1,318,135
Social security costs	80,775
Other pension costs (Note 23)	183,589
	1,582,499
Supply teacher costs	7,759
	1,590,258

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

11. STAFF (continued)

b. Staff numbers

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

	15 months ended 31 August 2015 No.
Teachers	20
Educational Support	16
Administration & Clerical	3
Premises	4
Lunch Supervision	2
	<hr/>
	45
	<hr/>

c. Higher paid staff

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

	15 months ended 31 August 2015 No.
In the band £80,001 - £90,000	1
	<hr/>

Employer's pension contributions made on behalf of the above employees amounted to £12,072.

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of Trustees' remuneration including pension contributions in respect of defined benefit schemes in the 15 month period was as follows; V Cranton: remuneration £80,000 - £90,000, employer's pension contributions £10,000 - £15,000; D Lloyd: remuneration £10,000 - £15,000, employer's pension contributions £0 - £5,000; S Wood: remuneration £25,000 - £30,000, employer's pension contributions £5,000 - £10,000; and D Davies: remuneration £20,000 - £25,000, employer's pension contributions £0 - £5,000.

During the period, no Trustees received any benefits in kind.

During the period, no Trustees received any reimbursement of expenses.

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

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. For the period ended 31 August 2015 the cover was provided through the Educational Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the trustee indemnity element is not separately identifiable.

14. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 June 2014	-	-	-	-	-
Additions	-	15,250	42,803	74,671	132,724
Transfer on conversion	1,704,537	-	61,568	-	1,766,105
At 31 August 2015	1,704,537	15,250	104,371	74,671	1,898,829
DEPRECIATION					
At 1 June 2014	-	-	-	-	-
Charge for the period	40,454	508	50,809	14,681	106,452
At 31 August 2015	40,454	508	50,809	14,681	106,452
NET BOOK VALUE					
At 31 August 2015	1,664,083	14,742	53,562	59,990	1,792,377

15. DEBTORS

	2015 £
Trade debtors	942
Prepayments and accrued income	59,254
Tax recoverable	66,786
	<u>126,982</u>

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16. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £
Trade creditors	110,002
Other taxation and social security	20,437
Other creditors	21,089
Accruals and deferred income	34,714
	<u>186,242</u>

DEFERRED INCOME

Resources deferred during the year	<u>20,266</u>
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17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	-	467,267	(207,688)	(3,750)	-	255,829
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	1,704,929	(1,676,417)	(28,512)	-	-
High needs funding	-	48,699	(48,699)	-	-	-
Pupil premium	-	197,399	(107,797)	(89,602)	-	-
Start up grant	-	21,250	(25,000)	3,750	-	-
Universal Infant Free School Meals	-	18,995	(18,995)	-	-	-
Primary Academy Development Chain Grant	-	100,000	-	-	-	100,000
Educational Trip Income	-	15,676	(15,676)	-	-	-
Other Grants	-	9,575	(9,575)	-	-	-
Pension reserve	-	(446,000)	-	-	(24,000)	(470,000)
	<u>-</u>	<u>1,670,523</u>	<u>(1,902,159)</u>	<u>(114,364)</u>	<u>(24,000)</u>	<u>(370,000)</u>

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

17. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	-	1,766,105	(81,649)	-	-	1,684,456
Fixed assets purchased from GAG and other restricted funds	-	-	(17,350)	118,114	-	100,764
DfE/EFA Capital grants	-	21,642	-	-	-	21,642
Nursery Grant	-	14,610	(7,453)	-	-	7,157
	-	1,802,357	(106,452)	118,114	-	1,814,019
Total restricted funds	-	3,472,880	(2,008,611)	3,750	(24,000)	1,444,019
Total of funds	-	3,940,147	(2,216,299)	-	(24,000)	1,699,848

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

Restricted:

General Annual Grant - income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Higher Needs funding - funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Start up grant - represents restricted grants relates to funding provided by the Education Funding Agency to support the School in the process of converting to an Academy.

Universal Infant Free School Meals - represents income for the provision of free school meals to pupils.

Primary Academy Development Chain Grant - represents income to support the academy conversion of primary schools into the Multi Academy Trust.

Educational trip income - represents contributions made by parents to cover the cost of educational school trips.

Other Grants - represents income which has been received for other specific purposes.

Pension Reserve - represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme.

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

17. STATEMENT OF FUNDS (continued)

Fixed assets funds:

Fixed assets transferred on conversion - this represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG - this represents capital assets that have been purchased out of restricted GAG funding.

Devolved Formula Capital - this represents funding from the EFA to cover the maintenance and purchase of the schools assets.

Nursery Grant - this represents funding for capital expenditure on the nursery.

Transfers between funds:

The transfers between the restricted, unrestricted and restricted fixed asset fund represents the transfer of capital expenditure from the General Annual Grant (GAG) and Pupil Premium funding during the year.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2015 were allocated as follows:

Hollymount School	370,213
Restricted fixed asset fund	1,814,019
Pension reserve	(470,000)
Total	1,714,232

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Other costs excluding depreciatio n £	Total £
Hollymount School	1,369,927	220,331	413,935	2,004,193

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	467,267	(207,688)	(3,750)	-	255,829
Restricted funds	-	1,670,523	(1,902,159)	(114,364)	(24,000)	(370,000)
Restricted fixed asset funds	-	1,802,357	(106,452)	118,114	-	1,814,019
	-	3,940,147	(2,216,299)	-	(24,000)	1,699,848

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	15 months ended 31 August 2015 £
Tangible fixed assets	-	-	1,792,377	1,792,377
Current assets	255,829	286,242	21,642	563,713
Creditors due within one year	-	(186,242)	-	(186,242)
Provisions for liabilities and charges	-	(470,000)	-	(470,000)
	255,829	(370,000)	1,814,019	1,699,848

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	15 months ended 31 August 2015 £
Net incoming resources before revaluations	1,723,848
Returns on investments and servicing of finance	(427)
Net assets transferred on conversion	(1,320,105)
Depreciation of tangible fixed assets	106,452
Increase in debtors	(126,982)
Increase in creditors	170,277
NET CASH INFLOW FROM OPERATIONS	553,063

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

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

	15 months ended 31 August 2015 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	427
	<u>15 months ended 31 August 2015 £</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Purchase of tangible fixed assets	(116,759)

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 June 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	-	436,731	-	436,731
NET FUNDS	<u>-</u>	<u>436,731</u>	<u>-</u>	<u>436,731</u>

22. CONVERSION TO AN ACADEMY TRUST

On 29 May 2015 Hollymount School (formerly known as Gorse Hill Community Primary School) converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Black Pear Trust from Worcestershire County Council for £NIL consideration.

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

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

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

22. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	15 months ended 31 August £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,704,537	1,704,537
- Other tangible fixed assets	-	-	61,568	61,568
Budget surplus/(deficit) on LA funds	323,009	21,250	14,384	358,643
LGPS pension surplus/(deficit)	-	(446,000)	-	(446,000)
Net assets/(liabilities)	<u>323,009</u>	<u>(424,750)</u>	<u>1,780,489</u>	<u>1,678,748</u>

23. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £18,899 were payable to the scheme at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

23. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £115,826.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy 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 assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £103,000, of which employer's contributions totalled £86,000 and employees' contributions totalled £17,000. The agreed contribution rates for future years are 13.8% for employers and 5.5-12.5% for employees.

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

As described in note 22 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance Sheet are as follows:

	15 months ended 31 August 2015 £
Present value of funded obligations	(676,000)
Fair value of scheme assets	206,000
	<hr/>
Net liability	(470,000)
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The amounts recognised in the Statement of Financial Activities are as follows:

	15 months ended 31 August 2015 £
Current service cost	(69,000)
Interest on obligation	(25,000)
Expected return on scheme assets	8,000
	<hr/>
Total	(86,000)
	<hr/> <hr/>

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

	15 months ended 31 August 2015 £
Current service cost	69,000
Interest cost	25,000
Contributions by scheme participants	17,000
Actuarial Losses	14,000
Liability transferred on conversion	551,000
	<hr/>
Closing defined benefit obligation	676,000
	<hr/> <hr/>

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

23. PENSION COMMITMENTS (continued)

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

	15 months ended 31 August 2015 £
Expected return on assets	8,000
Actuarial gains and (losses)	(10,000)
Contributions by employer	86,000
Contributions by employees	17,000
Assets transferred on conversion	105,000
	206,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was -£24,000.

The Academy expects to contribute £59,000 to its Defined Benefit Pension Scheme in 2016.

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

	2015
Equities	89.32 %
European bonds	6.31 %
Cash	0.97 %
Other	3.40 %

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

	2015
Discount rate for scheme liabilities	4.00 %
Expected return on scheme assets at 31 August	5.97 %
Rate of increase in salaries	3.80 %
Rate of increase for pensions in payment / inflation	2.30 %
Inflation assumption (CPI)	2.30 %

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

	2015
Retiring today	
Males	23.4
Females	25.8
Retiring in 20 years	
Males	25.6
Females	28.1

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2015 £
Defined benefit obligation	(676,000)
Scheme assets	206,000
Deficit	(470,000)
Experience adjustments on scheme liabilities	(14,000)
Experience adjustments on scheme assets	(10,000)

24. OPERATING LEASE COMMITMENTS

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

	Other 2015 £
EXPIRY DATE:	
Between 2 and 5 years	6,864

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period:

The Black Pear Trust purchased £2,175 worth of services from Independent Education & Technology Associates Ltd, a company limited by guarantee and not for profit, of which Mr P D Shoesmith is a director.

