

The Pochin School
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

THE POCHIN SCHOOL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 8
Governance statement	9 - 13
Statement on regularity, propriety and compliance	14
Trustees' responsibilities statement	15
Independent auditors' report	16 - 17
Independent reporting accountant's assurance report on regularity	18 - 19
Statement of financial activities	20
Balance sheet	21
Cash flow statement	22
Notes to the financial statements	23 - 45

THE POCHIN SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Members

G Hussey
W West
S Cotton

Trustees / Governors

A Johnson (Staff Trustee)
A Kirk (Staff Trustee)
D Bartram Vice Chair (resigned 22 March 2016)
E Shabtay-White
G Hussey (Chairman)
J Barker (appointed 4 January 2016)
J Mount
K Leah (resigned 21 May 2016)
K Skinner
M Bree (appointed 10 November 2015)
P Price (resigned 2 October 2015)
R Sharpe
S Cotton (Headteacher and Accounting Officer)
W West (Vice Chair resigned 14 April 2016)
K Sheppard (appointed 14 June 2016)

Company Secretary

D Woolerton

Senior Management Team

SLT 1 S Cotton - Headteacher
SLT 2 H Sharpe – Deputy Headteacher

Company Name

The Pochin School

Principal and registered office

The Pochin School, School Lane, Barkby, LE7 3QL.

Company registered number

08204075 (England & Wales)

Independent Auditors

MHA MacIntyre Hudson, 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ

Bankers

National Westminster Bank Plc, Loughborough Business Centre, Market Place, Loughborough, Leicestershire, LE11 3EA

THE POCHIN SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Solicitors

Browne Jacobson LLP, Victoria Square House, Victoria Square, Birmingham, B2 4BU

THE POCHIN SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Barkby, Barkby Thorpe and Beeby. It has a pupil capacity of 137 and had a roll of 138 in the school census on 19 May 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of The Pochin School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as The Pochin School.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £179.

Method of Recruitment and Appointment or Election of Trustees

Recruitment of Governors as outlined in the Articles of Association states there is no limit to the number of Members that may be appointed, but it shall not be fewer than five. The appointment of staff Governors is via a process of a staff ballot. Appointment of Parent Governors is made via parent ballot. Co-opted governors are appointed by agreement of the Governing Body.

The subscribers to the Company's memorandum and such other persons as are admitted to membership in accordance with the Articles of Association shall be Members of the Company. No person shall be admitted as a Member of the Company unless he is approved by the Board. The Members may agree unanimously in writing to appoint such additional Members as they think fit.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Governors' Induction Handbook has been adopted by the Governing Body and is issued to all newly appointed Governors. The Academy has a contract for training with the Local Authority Governor Development Service. All newly appointed governors receive training as soon as possible after appointment. This is arranged by the Governor responsible for Training and Development.

THE POCHIN SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Organisational Structure

The structure of the Academy consists of a Board of Governors, currently made up of 11 Trustees. The Governors are responsible for setting general policies, approving the annual school development and improvement plan, annual budget plans, regularly monitoring the Academy's use of budgets and making major decisions about the direction of the Academy, its capital expenditure and senior staff appointments. The day-to-day running of the staff and school is delegated to the Headteacher.

The Headteacher, Stephen Cotton, is the Accounting Officer for the Academy. The Accounting Officer is supported by the School Business Manager and the Governing Body.

There are nine staff who provide classroom support and there are nine teachers at the Pochin School, each responsible for different areas of the curriculum:

- Jill Marvell-Stewart – Music, Science
- Andrew Johnson – Literacy, French, and the school garden
- Zoe Macefield – PSHCE and
- Ann Cook – SEND and Assessment
- Julia Dodge – Design & Technology, PE, Art, Higher Attaining Pupils
- Louisa Cohen –EYFS
- Louise Cooledge – Geography, History
- Stephen Cotton – Computing
- Pete Randall – Religious Education
- Jo Linnett – Maths

Pay and remuneration of the Academy's management personnel is reviewed annually by the Performance Management Committee. The committee will seek advice from the appointed external advisor when setting objectives and reviewing the performance of the Headteacher. The committee will meet with the Headteacher and advisor at the end of the performance review cycle to review the Headteacher's performance and identify achievements against the set objectives. The committee will then write a performance review statement and give a copy to the Headteacher within 10 days of the meeting review and allow 10 days for the Headteacher to add comments. Once agreed, the committee will make recommendations to the full Governing Body in relation to pay based upon the necessary reports.

Related parties and other connected charities and organisations.

The Academy is part of the Syston and Thurmaston Education Partnership (STEP). The partnership has formed a teaching schools alliance, which can only serve to benefit academies within the group. A capital grant for the partnership has been received which will see purpose built accommodation for the alliance. This has no impact on the day-to-day running of the Academy.

The Academy has no other relationships with related parties or any other charities/organisations with which it cooperates in the pursuit of charitable activities.

THE POCHIN SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTIVES AND ACTIVITIES

Objects and Aims

We are a small school that values high expectations. Our aim is to continue to improve the education of our pupils by nurture through:

- quality teaching and learning;
- opportunity for children to achieve their full potential;
- a caring, happy, secure learning environment in a rural setting;
- high expectations of behaviour and discipline;
- strong leadership and teamwork with all staff;
- valuing partnership with the wider community, especially parents; and
- providing equal opportunity for all.

Objectives, Strategies and Activities

This year one of our outstanding classroom teachers retired and the Governing Body made the decision to recruit a Deputy Headteacher with classroom responsibility. Through a stringent recruitment process we have been successful in recruiting a first class Deputy Headteacher who is also an outstanding classroom teacher. The recruitment process saw a strong field of applicants and we were fortunate that Mrs Heather Sharpe accepted our offer. Mrs Sharpe commenced her position on 24 August 2016 and this appointment will only serve to strengthen our leadership team and the teaching and learning in the school.

Our objectives for the future are to continue with the excellent educational opportunities for our pupils through the continual improvement of teaching and learning in the school.

We aim to achieve outstanding standards again next year, and ensure that value added continues to improve throughout the school. We continue to make significant improvement in engaging parents in their children's education. We will ensure this continues to improve over the year with additional opportunities for parents to interact with classroom activities. A number of successful strategies are in place, including inviting parents and carers into classes to assist with a number of activities.

Public Benefit

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

The activities undertaken to further the Academy Trust's purpose for the Public Benefit for the advancement of education includes the expansion of the Teaching Schools Alliance in conjunction with the Syston and Thurmaston Education Partnership (STEP). This has tremendous future benefit for our school, as well as the other schools within the Alliance and will raise academic standards.

The Alliance assists with the training and support of both existing and student teachers. Outstanding teachers within the Alliance mentor those in other schools requiring improvement. The Alliance offers Continuing Professional Development (CPD) for teachers employed within the group.

The school has always achieved outstanding standards. The Ofsted visit in 2014 reported The Pochin School as being Outstanding in all areas, further evidence of the excellent teaching and management of the school. This academic year has seen an increase to 90% of teaching in the Academy is consistently 'outstanding' 10% is 'good'.

THE POCHIN SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

Achievements and Performance

The Governing Body intends to continue its current strategies of maintaining the School's position by investing to provide high quality education for our pupils. Continually achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided. Our continued academic achievement is supported by the Outstanding Ofsted report received in 2014.

The Headteacher and staff continue to review the curriculum to ensure that the education remains appropriate for all our pupils' development. Pupils' achievements are measured through the Raise On Line data, in addition to internal testing and assessment throughout the year.

Key Financial Performance Indicators

- The school to continue to receive Outstanding reports in Ofsted inspections
- 100% of our teaching is good or outstanding
- 100% good or better teaching
- 90% outstanding teaching
- No student exclusions
- Student attendance at 96% plus
- 79% of children achieved the expected standard reading, writing and maths compared to 53% nationally.
- No child at 11 to have a reading age more than 3 years behind chronological age
- All children have experienced a foreign language by the end of Key Stage 2
- Staff are encouraged to take vocational training where appropriate

Going Concern

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

FINANCIAL REVIEW

Reserves Policy

The Pochin School set a balanced budget at the beginning of the financial year and has maintained a healthy reserve during the year.

Reserves are held in the school budget to provide funding for unexpected expenditure, i.e. capital, staffing or curriculum requirements. The reserves are evaluated each term and adjusted as necessary by the finance committee.

At 31 August 2016 the total funds comprised:

Unrestricted	£
	75,000
Restricted: Fixed asset funds	1,396,000
GAG	19,000
Pension reserve	<u>(393,000)</u>
	<u>1,097,000</u>

THE POCHIN SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 20. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors, and represent 1 month's worth of Academy expenditure. The aim of the Governors is to increase this reserve to meet future working capital requirements.

Investment Policy

The aim of this policy is to ensure that funds which The Pochin School does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk. The Academy aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The Pochin School does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice as and when circumstances allow.

Purpose

- To ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements
- To ensure there is no risk of loss in capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested funds

Regular cash flow reports are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment. Where the cash flow identifies a base level of cash funds in excess of £100,000 that will be surplus to requirements for a minimum of three months, these may be invested following approval from the Finance Committee. Approval must be signed off and recorded in the committee minutes. In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk.

Investment should be with the existing banker in an instant access deposit account. If funds are invested, the Finance Committee will receive a report at each meeting as to the performance of the investment.

This Investment Policy will be reviewed on an annual basis.

Principal Risks and Uncertainties

The principal risks facing the Academy are:

- Reputational risk – mitigated by good management of the Academy
- Performance risk – mitigated by excellent teaching and support
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by insurance to cover staff absence and buildings cover. Reserves are also held in the school budget to cover unexpected expenditure
- Risks associated with personnel – mitigated by good financial controls, robust financial policies and regular audit visits.

The Academy Trust practices through its Board, namely the Governing Body and the constituted committees and risk management principles. Any major risks highlighted at any committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

THE POCHIN SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

PLANS FOR FUTURE PERIODS

Key aims for the future are to continue with the excellent teaching and learning already established at the school. This will be through continued mentoring by outstanding teachers and external support where necessary.

The Pochin School is to join the Bradgate Education Partnership Multi Academy Trust from 1 September 2016.

Joining the Multi Academy Trust will offer increased opportunities to develop our staff to be able to work effectively in a collaborative manner with other organisations for both financial and educational benefit.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held as Custodian Trustee on behalf of others.

AUDITOR

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 22 November 2016 and signed on the Board's behalf by:

.....
G Hussey
Chair of Trustees

THE POCHIN SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Governing Body of The Pochin School is made up of 2 staff Governors, the Headteacher, 3 elected Parent Governors, 4 co-opted Governors. Community Governors are appointed by the Governing Body and are people who, in the opinion of the Governing Body, have the skills required to contribute to the effective governance and success of the school.

The full Governing Body meets at least once each term, and we also have a number of committees to consider different aspects of the school in detail. At The Pochin School we have a Finance Committee, which focuses on finance and audit, Health & Safety which focuses on safeguarding, premises and health & safety; an Education Committee which focuses on the curriculum; a Performance Management Committee which focuses on the Headteacher's performance and a Human Resources Committee which focuses on staffing matters. We also have individual governors responsible for areas such as SEND and training.

The Governing Body has had a very busy year, focusing on both school and governance improvement.

During the summer term the Finance Committee approved the 2016/17 budget plan for the school: we are pleased to report that the school is in a healthy position financially with further premises improvement planned.

The Education Committee has spent time considering the introduction of the new curriculum and Governors also discuss key data giving the results of pupil achievement and progress, so that we can be sure that the school is on track to fulfil its ambitious targets for all pupils. We are also concerned about our vulnerable groups of children and focus on how the Pupil Premium Grant is being spent by the school and what impact this has on their outcomes.

The Health & Safety Committee looks at the maintenance and development of the school premises. The committee carries out termly checks of the premises with S Cotton, the Headteacher.

Governors are also particularly concerned about safeguarding and we have a Nominated Governor for Safeguarding who gives a termly report to the Governors about any safeguarding matters.

One of the roles of Governors is to review and agree school policies on a regular basis. This year we have considered a number of key policies, including a new policy, Promoting British Values and a revised Health & Safety Policy. Listed below are other policies which were reviewed and approved during the year:

Admission Policy	Pay Policy
Admissions	Risk Management Policy
Anti-bullying	Risk Management Register
Bad Debt Policy	Safeguarding
Best Value Policy	SEN
Charging and Remissions	Whistleblowing
Complaints	
Debit Card Policy	
Decision Planner	
Finance	
Financial Procedures	
French	
Health & Safety	
Investment Policy	
Long Service	

THE POCHIN SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that The Pochin School 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 Pochin School 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

Attendance during the year at meetings of the Board of Trustees was as follows:

Governors have excellent attendance at meetings and we have never cancelled a meeting because it was not quorate. See below details of individual Governors' attendance at meetings. The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Johnson	9	9
A Kirk	7	9
D Bartram	2	5
E Shabtay-White	7	9
G Hussey	9	9
J Barker	5	7
J Mount	6	9
K Leah	5	7
K Skinner	4	9
M Bree	6	9
R Sharpe	7	9
S Cotton	9	9
W West	4	6
K Sheppard	2	2

The loss of both vice chairs during the financial year, and the resignation of 1 other Governor, all due to work commitments, resulted in the Chair reviewing committee structures and terms of reference. This review led to a new structure of four committees, each with a new chair. This has resulted in more efficient committee meetings which produce effective outcomes.

A review of the structure of the Governing Body was undertaken, with the outcome that the Governing Body should consist of between 10 and 14 Governors. The Governing Body agreed not to actively seek new Governors and remain with the 10 currently in office. M Bree approached the school with a view to becoming a

THE POCHIN SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Governor and her application was considered and agreed by the full Governing Body.

A new Governor has taken on the role of overseeing training and development of the Governing Body. Increased training opportunities for governors are now available within STEP and have been taken up whenever possible. New Governors also took over the roles of Safeguarding governor and special educational needs Governor

The **finance committee** is a sub-committee of the main Board of Trustees. Its purpose is to:

- Provide guidance and assistance to the Headteacher and Governing Body in all matters relating to finance, budgeting and audit
- Consider all policies and procedures relating to financial systems and review and amend where appropriate
- Contribute to the School Development Plan
- Identify the priorities in the School Development Plan and present an annual budget to the Governing Body at the beginning of the academic year
- Confirm the statement of internal control is adhered to
- Review the potential risks to internal financial control at the Academy Trust and agree a programme of work that will address these risks, inform the statement of internal control and provide assurance to the external auditors
- Ensure insurance arrangements are appropriate and sufficient
- Consider any other matters where requested to do so by the Governing Body
- Report annually to the Governing Body on the discharge of the above duties
- Consider all policies and procedures relating to staff salaries, and review and amend where appropriate
- Have the delegated power to make decisions relating to staff salaries
- Apply the Whole School Pay Policy and review annually, recommending any changes to the full Governing Body
- Review the Asset Register and Inventory at least annually.

During the year J Barker and M Bree were appointed to the Finance Committee. J Barker is an accountant with a local business and M Bree works in Human Resources at a local college. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Cotton	5	5
Mr Price (Chair)	-	1
Mrs Shabtay White	3	5
Mrs West	4	4
K Leah	3	4
J Barker	2	3
M Bree	2	2

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 appropriate. The Accounting Officer for the Academy Trust has

THE POCHIN SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

delivered improved value for money during the year by:

- Regular monitoring of the Academy's budget and cashflow forecast.
- Continuing to improve the teaching in school to a level where at least 90% of the teaching is outstanding, which is an increase from 60% in the previous year. The remaining 10% of the teaching is good. This is an excellent achievement and has been successful due to the monitoring of teaching and learning, and continuing professional development opportunities for all staff.
- Continuing to improve the premises facilities for the benefit of both pupils and staff.

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 Pochin School Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy Trust's system of internal financial control is based on a framework of regular management 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:

- to appoint Leicestershire County Council an internal auditor.

THE POCHIN SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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

- examination of finance policies and procedures
- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations

On an annual basis the auditor reports to the Board of Trustees, through the chair of Governors on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Pochin School confirms that the internal auditor has delivered their schedule of work as planned and no major material control issues arose as a result of the internal auditor's work.

The internal auditor recommended:

- purchase orders are raised in addition to earmarking funding in specific cost centres for large value projects

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal auditor 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 22 November 2016 and signed on its behalf by:

.....
G Hussey
Chair of Trustees

.....
S Cotton
Accounting Officer

THE POCHIN SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016

As Accounting Officer of The Pochin School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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.

.....
S Cotton
Accounting Officer

22 November 2016

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as Governors of The Pochin School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the 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:

.....
G Hussey
Chair of Trustees

22 November 2016

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
POCHIN SCHOOL**

We have audited the financial statements of The Pochin School for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 Statement of Trustees' Responsibilities, set out on page 15, 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 charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
POCHIN SCHOOL**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditor

11 Merus Court
Leicester
LE19 1RJ

15 December 2016

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE POCHIN SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Pochin School during the year ended 31 August 2016 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 Pochin School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Pochin School 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 Pochin School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE POCHIN SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Pochin School's funding agreement with the Secretary of State for Education dated 1 October 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2016 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 2015 to 2016 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's income and expenditure.

The work undertaken to draw our conclusions includes:

- reviewing the information in the Financial Management and Governance Self-assessment (FMGS) return and making appropriate enquiries of the Headteacher Accounting Officer;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE POCHIN SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

11 Merus Court
Leicester
LE19 1RJ

15 December 2016

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Note					
INCOME FROM:					
Donations and capital grants	2	-	-	-	133
Other trading activities	3	49	1	50	41
Funding for Academy Trust's educational operations	4	-	702	6	708
TOTAL INCOME		49	703	6	758
EXPENDITURE ON:					
Raising funds	5	41	-	-	41
Academy Trusts educational operations	6	-	691	40	731
TOTAL EXPENDITURE	7	41	691	40	772
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
		8	12	(34)	(14)
Transfers between Funds	16	-	(25)	25	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		8	(13)	(9)	(14)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(73)	-	(73)
NET MOVEMENT IN FUNDS		8	(86)	(9)	(87)
RECONCILIATION OF FUNDS:					
Total funds brought forward		67	(288)	1,405	1,184
TOTAL FUNDS CARRIED FORWARD		75	(374)	1,396	1,097

The notes on pages 23 to 45 form part of these financial statements.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08204075

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	2015 £000
FIXED ASSETS					
Tangible assets	13		1,396		1,405
CURRENT ASSETS					
Debtors	14	11		11	
Cash at bank and in hand		126		108	
		<u>137</u>		<u>119</u>	
CREDITORS: amounts falling due within one year	15	(43)		(43)	
		<u> </u>		<u> </u>	
NET CURRENT ASSETS			94		76
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	20		(393)		(297)
			<u> </u>		<u> </u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			1,097		1,184
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	19		9	
Restricted fixed asset funds	16	1,396		1,405	
		<u> </u>		<u> </u>	
Restricted income funds excluding pension liability		1,415		1,414	
Pension reserve		(393)		(297)	
		<u> </u>		<u> </u>	
Total restricted income funds			1,022		1,117
Unrestricted income funds	16		75		67
			<u> </u>		<u> </u>
TOTAL FUNDS			1,097		1,184
			<u> </u>		<u> </u>

The financial statements were approved by the Trustees, and authorised for issue, on 22 November 2016 and are signed on their behalf, by:

.....
G Hussey
Chair of Trustees

.....
S Cotton
Accounting Officer

The notes on pages 23 to 45 form part of these financial statements.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	<u>43</u>	<u>(46)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(31)	(231)
Capital grants from DfE/EFA		<u>6</u>	<u>201</u>
Net cash used in investing activities		<u>(25)</u>	<u>(30)</u>
Change in cash and cash equivalents in the year		18	(76)
Cash and cash equivalents brought forward		<u>108</u>	<u>184</u>
Cash and cash equivalents carried forward	19	<u><u>126</u></u>	<u><u>108</u></u>

The notes on pages 23 to 45 form part of these financial statements.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Financial Statements are prepared in £ sterling, the functional currency, rounded to the nearest £1,000.

First time adoption of FRS 102

These financial statements are the first financial statements of The Pochin School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Pochin School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

1.2 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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 meeting any performance related conditions there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where the receipt is probable, there are no performance related conditions and the amount can be reliably measured.

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Charitable activities are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised, and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

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 leasehold land	-	125 years over life of lease
Long leasehold property	-	2% Straight line per annum
Leasehold property improvements-	-	2% Straight line per annum
Fixtures and fittings	-	15% Reducing balance per annum
Computer equipment	-	25% Reducing balance per annum

1.6 Operating leases

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

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the bank.

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.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.13 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 quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 13 for the carrying amount of the tangible fixed assets, and note 1.5 for the useful economic lives for each class of assets.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.15 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 the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

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

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Donations	-	-	-	-	5
Capital Grants	-	-	-	-	128
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	-	-	-	133
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £ *NIL* was by way of unrestricted income and £133,000 restricted income.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Other income	5	1	6	1
Catering income	44	-	44	40
	<hr/>	<hr/>	<hr/>	<hr/>
	49	1	50	41
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from other trading activities, £41,000 was by way of unrestricted income and £ *NIL* restricted income.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

4. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	598	598	551
Pupil Premium	-	11	11	10
Devolved Formula Capital	-	6	6	6
Other EFA/DfE grants	-	56	56	47
	-	671	671	614
Other government grants				
Local Authority grants	-	11	11	10
	-	11	11	10
Other funding				
Parental contributions and trip income	-	21	21	23
Contributions to other educational activities	-	3	3	2
Supply teacher insurance claims	-	2	2	3
	-	26	26	28
	-	708	708	652

In 2015, of the total income from charitable activities, £ *NIL* was by way of unrestricted income and £652,000 restricted income.

5. RAISING FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Catering costs	18	-	18	17
Kitchen staff costs	23	-	23	21
	41	-	41	38

In 2015, of the total expenditure for raising funds, £38,000 was unrestricted expenses and £ *NIL* was restricted expenses.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

6. CHARITABLE ACTIVITIES

	Total funds 2016 £000	Total funds 2015 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	354	350
National insurance	24	21
Pension costs	67	65
Depreciation	40	25
Educational supplies	7	9
Staff development	4	2
Other direct costs	20	21
Insurance	11	6
	<u>527</u>	<u>499</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	67	62
National insurance	5	3
Pension costs	14	12
Pension finance costs (note 12)	11	22
Travel and subsistence	5	5
Recruitment and support	1	-
Maintenance	17	9
Cleaning	2	1
Rent and rates	13	13
Energy costs	5	4
Insurance	4	12
Legal and professional	11	8
Other support costs	32	28
Bank charges and interest	1	1
Governance costs	16	9
	<u>204</u>	<u>189</u>
	<u><u>731</u></u>	<u><u>688</u></u>

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2016	2016	2016	2016	2015
	£000	£000	£000	£000	£000
Expenditure on raising voluntary income	23	-	18	41	38
Activities:					
Direct costs	445	36	46	527	499
Support costs	97	25	82	204	189
	<u>565</u>	<u>61</u>	<u>146</u>	<u>772</u>	<u>726</u>

In 2016, of the total expenditure, £41,000 (2015 - £38,000) was unrestricted expenses and £731,000 (2015 - £688,000) restricted expenses.

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£000	£000
Depreciation of tangible fixed assets	40	25
Auditor's remuneration - audit	8	7
Governance Internal audit costs	1	1
Operating lease rentals	8	7
	<u>57</u>	<u>40</u>

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£000	£000
Wages and salaries	440	399
Social security costs	29	24
Operating costs of defined benefit pension schemes	85	81
	554	504
Supply teacher costs	-	9
Staff restructuring costs	-	21
Pension finance costs	11	22
	565	556

The average number of persons employed by the Academy during the year was as follows:

	2016	2015
	No.	No.
Teachers	7	7
Administration and support	12	12
Management	1	1
	20	20

Average number expressed as a full time equivalent:

	2016	2015
	No.	No.
Teaching	5	7
Administration and support	7	8
Management	1	1
	13	16

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for this staff member amounted to £10,407 (2015: £8,603).

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the senior leadership team as listed on page 1. The total amount of employer benefits (including employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £173,955 (2015 - £112,585).

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	2015
		£000	£000
S Cotton (Headteacher)	Remuneration	60-65	60-65
	Pension contributions paid	10-15	5-10
A Kirk	Remuneration	5-10	5-10
	Pension contributions paid	0-5	0-5
A Johnson	Remuneration	35-40	35-40
	Pension contributions paid	5-10	5-10

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

Other related party transactions involving the Trustees are set out in note 22.

11. 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 £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £172 (2015 - £1,243).

12. PENSION FINANCE COSTS

	2016	2015
	£000	£000
Expected return on pension scheme assets	13	10
Interest on pension scheme liabilities	(24)	(21)
Losses on curtailments	-	(11)
	(11)	(22)

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

13. TANGIBLE FIXED ASSETS

	Long leasehold property £000	Leasehold property improvements £000	Computer equipment £000	Fixtures and fittings £000
Cost				
At 1 September 2015	965	451	35	18
Additions	-	28	2	1
At 31 August 2016	<u>965</u>	<u>479</u>	<u>37</u>	<u>19</u>
Depreciation				
At 1 September 2015	32	13	18	1
Charge for the year	24	9	4	3
At 31 August 2016	<u>56</u>	<u>22</u>	<u>22</u>	<u>4</u>
Net book value				
At 31 August 2016	<u>909</u>	<u>457</u>	<u>15</u>	<u>15</u>
At 31 August 2015	<u>933</u>	<u>438</u>	<u>17</u>	<u>17</u>
				Total £000
Cost				
At 1 September 2015				1,469
Additions				31
At 31 August 2016				<u>1,500</u>
Depreciation				
At 1 September 2015				64
Charge for the year				40
At 31 August 2016				<u>104</u>
Net book value				
At 31 August 2016				<u>1,396</u>
At 31 August 2015				<u>1,405</u>

Included in long leasehold property is leasehold land valued at £420,000 on conversion in 2012 by Leicestershire County Council, RICS, using the depreciation cost method. The freehold of the land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year lease on a peppercorn rent from 2012.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

14. DEBTORS

	2016	2015
	£000	£000
Prepayments and accrued income	10	10
VAT repayable	1	1
	11	11
	11	11

15. CREDITORS: Amounts falling due within one year

	2016	2015
	£000	£000
Taxation and social security	9	6
Other creditors	10	9
Accruals and deferred income	24	28
	43	43
	43	43

	2016	2015
	£000	£000
Deferred income		
Deferred income at 1 September 2015	16	20
Resources deferred during the year	15	16
Amounts released from previous years	(16)	(20)
	15	16
	15	16

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals income for the 2016/17 academic year.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16. STATEMENT OF FUNDS

	Brought forward £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Carried forward £000
Unrestricted funds						
Unrestricted funds	67	49	(41)	-	-	75
Restricted funds						
General Annual Grant (GAG)	7	598	(561)	(25)	-	19
Other DfE/EFA grants	-	56	(56)	-	-	-
Pupil Premium	2	11	(13)	-	-	-
Other income	-	38	(38)	-	-	-
Pension reserve	(297)	-	(23)	-	(73)	(393)
	(288)	703	(691)	(25)	(73)	(374)
Restricted fixed asset funds						
Net book value of fixed assets	1,405	6	(40)	25	-	1,396
Total restricted funds	1,117	709	(731)	-	(73)	1,022
Total of funds	1,184	758	(772)	-	(73)	1,097

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

General Annual Grant (GAG)

Funds from the Education Funding Agency for the provision of education, in line with the funding agreement.

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 2016. Transfers of £24,048 from GAG funding and £1,362 from other DfE/EFA grants to the restricted fixed asset fund represents contributions towards the kitchen and corridor capital projects carried out during the year.

Other DfE/EFA grants

Other funds provided by the DfE/EFA for particular purposes within the Academy's educational operations.

Pupil Premium

Additional funds from the Education Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education Funding

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16. STATEMENT OF FUNDS (continued)

Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

Other grants

These are funds and grants received from the Local Authority and other institutions for use on specific educational projects.

Other income

These consist of income from all other sources to be used primarily for the Academy's educational operations.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit, given the nature of the liability, however, this is not payable immediately.

Restricted fixed asset funds

The net book value of fixed asset fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	-	-	1,405
Current assets	75	62	1,396	1,396	-
Creditors due within one year	-	(43)	-	(43)	(43)
Pension reserve	-	(393)	-	(393)	(297)
	<u>75</u>	<u>(374)</u>	<u>1,396</u>	<u>1,097</u>	<u>1,184</u>

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£000	£000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(14)	100
Adjustment for:		
Depreciation charges	40	25
Decrease in debtors	-	12
Increase in creditors	-	2
Capital grants from DfE and other capital income	(6)	(201)
Pension cost less contributions payable	12	(6)
Pension finance income	11	22
	43	(46)
Net cash provided by/(used in) operating activities	43	(46)

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£000	£000
Cash in hand	126	108
	126	108
Total	126	108

20. 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 Leicestershire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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 £9,000 were payable to the schemes at 31 August 2016 (2015 - £8,000) 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 POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

The employer's pension costs paid to TPS in the period amounted to £40,000 (2015 - £36,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £42,000 (2015 - £60,000), of which employer's contributions totalled £33,000 (2015 - £51,000) and employees' contributions totalled £9,000 (2015 - £9,000). The agreed contribution rates for future years are 21.4% for employers and between 5.5% and 12.5% for employees.

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

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %
Inflation assumption (CPI)	2.10 %	2.60 %

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2016	Approximate increase to Employer liability (%)	Approximate monetary amount (£000)
0.5% decrease in real discount rate	13	106
1 year increase in member life expectancy	3	24
0.5% increase in the salary increase rate	5	42
0.5% increase in the pension increase rate	7	60

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

	2016	2015
Retiring today		
Males	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

The Academy expects to contribute £35,000 to its defined benefit pension scheme in 2017.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	304	206
Debt instruments	76	66
Property	38	34
Cash	4	6
	<u>422</u>	<u>312</u>
Total market value of assets	<u><u>422</u></u>	<u><u>312</u></u>

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(45)	(45)
Net interest cost	(11)	(11)
Losses on curtailments and settlements	-	(11)
	<u>(56)</u>	<u>(67)</u>
Total	<u><u>(56)</u></u>	<u><u>(67)</u></u>
Actual return on scheme assets	<u><u>(71)</u></u>	<u><u>(11)</u></u>

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

	2016 £000	2015 £000
Opening defined benefit obligation	609	535
Current service cost	45	45
Interest cost	24	21
Actuarial losses/(gains)	131	(9)
Past service costs	-	11
Estimated benefit paid	(3)	(3)
Contributions by employees	9	9
	<u>815</u>	<u>609</u>
Closing defined benefit obligation	<u><u>815</u></u>	<u><u>609</u></u>

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS (continued)

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

	2016	2015
	£000	£000
Opening fair value of scheme assets	312	244
Interest income	13	10
Actuarial gains	58	1
Contributions by employer	33	51
Contributions by employees	9	9
Benefit paid	(3)	(3)
	422	312
Closing fair value of scheme assets	422	312

21. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000	£000
Amounts payable:		
Within 1 year	8	8
Between 1 and 5 years	35	37
After more than 5 years	-	6
	43	51
Total	43	51

22. RELATED PARTY TRANSACTIONS

The following related party transactions took place during the period:

B D Mount & Sons, is a company in which J Mount, Trustee has a minority interest. Transactions totalling £1,290 (2015: £1,720) for the purchase of kitchen produce took place during the year. The contract with B D Mount & Sons was entered into after 7 November 2013 and followed correct procurement procedures. J Mount neither participated in, nor influenced the decision for the procurement of these goods. There was no amount outstanding at 31 August 2016 (2015: £Nil).

23. CONTROLLING PARTY

The Academy is ultimately controlled by the Governing Body, which includes the Headteacher.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

24. 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.

25. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

THE POCHIN SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

26. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £000	31 August 2015 £000
Total funds under previous UK GAAP		1,074	1,184
Total funds reported under FRS 102		<u>1,074</u>	<u>1,184</u>

Reconciliation of net income before other gains and losses	Notes	31 August 2015 £000
Net income previously reported under UK GAAP		105
Defined benefit pension scheme finance cost	A	(5)
Net income reported under FRS 102		<u>100</u>

Explanation of changes to previously reported funds and net income/expenditure:

A - Defined benefit pension scheme finance cost

Under previous UK GAAP the Academy Trust accounted for an expected return on plan assets. FRS102 requires the expected return on scheme assets to be analysed between two components; interest income on plan assets and other actuarial gains on plan assets.

Under FRS102 the latter component of the expected return on scheme assets, other actuarial gains, is reported within actuarial gains and losses in the Statement of Financial Activities rather than being accounted for in arriving at net income or expenditure for the year, as it was under previous UK GAAP.

The effect of the change has been to reduce reported net income for the year. Actuarial losses for the year have decreased correspondingly. Net movement in funds reported in the year is unchanged.