



**East Bergholt High School**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**for the Year ended 31 August 2015**



**Company Registration Number: 7682993**  
**(England and Wales)**

## East Bergholt High School

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**Reference and Administrative Details of the Academy, its Governors and Advisors****Members**

The governors are also the members

**Governors / Trustees'**

\* = members of the Finance and Resources Committee

Mr Colin Turner (Headteacher)\*  
 Mrs Jannette Beckett\* (retired 28 February 2015)  
 Mr Robert Bowyer (elected 13 October 2015)  
 Mr Antonio Carrino  
 Prof Ian Colbeck  
 Mrs Justine Davies (elected 21 October 2014)  
 Mr Peter Espley \*  
 Mr Ian Evans  
 Mr Michael Howlett (retired 7 July 2015)  
 Mrs Alison Huard (elected 21 October 2014)  
 Mr Michael Huard  
 Mrs Diane Knights  
 Mrs Judi Lock \*  
 Mrs Di Owen  
 Mr Mark Scott \*  
 Mr Chris Smith\*  
 Dr Ian Stephenson \* (retired 21 October 2014)  
 Mr Gareth Spinner (elected 16 December 2014)  
 Mrs Martha Taylor (retired 13 October 2015)  
 Rev Stephne van der Toom  
 Mr Ralph Tyldesley. \*

**Company Secretary**

Mrs Belle Klein

**Senior Managers**

- Headteacher
- Deputy Headteacher
- Deputy Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Business Manager (Director of Finance)

Mr Colin Turner  
 Mr Christopher Burns  
 Mr Kevin Cook  
 Mrs Susan Reeve  
 Mr Adrian Steward  
 Mr Robert Barnes

**Registered Office**

Heath Road, East Bergholt,  
 Colchester, Essex CO7 6RJ

**Company Registration Number**

07682993

**Auditors**

Izod Bassett  
 105 High Street  
 Needham Market  
 IP6 8DQ

**Bankers**

National Westminster  
 25 High Street  
 Colchester  
 CO1 1DG

**Solicitors**

Stone King  
 Wellington House  
 East Road  
 Cambridge  
 CB1 1BH

## East Bergholt High School

### Governors' Report

The Governors present their Annual Report together with the Financial Statements and Auditors' Report of the Charitable Company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Financial Statements have been prepared in accordance with the accounting policies on pages 21 to 23 of the attached financial statements, and comply with the Charitable Company's Memorandum and Articles of Association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 (SORP 2005).

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in South Suffolk. It has a pupil capacity of 930 and had a roll of 936 in the school census in October 2015.

### 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 Academy Trust incorporated on 27 June 2011.

The Governors act as the Trustees for the charitable activities of East Bergholt High School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as East Bergholt High School.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 3.

#### 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.

#### Governors' Indemnities

There were no provisions required for third party indemnity.

#### Method of Recruitment and Appointment or Election of Governors

The Academy Trust shall have the following Governors as set out in the Articles of Association and Funding Agreement:

- a) A minimum of 6 and up to 10 Community Governors, appointed by Members.
- b) A minimum of 2 and up to 6 Parent Governors who are elected by parents of registered students at the Academy. A Parent Governor must be a parent of a student at the Academy at the time when he/she is elected. Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonable practical to secure that every person who is known to them to be a parent of a registered student at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.
- c) Up to 5 Staff Governors, elected by staff members at the Academy. The Staff Governors shall where possible comprise up to 3 teachers and up to 2 support staff, but more or less may be appointed under each category where it has not been possible to appoint up to these numbers, provided that no more than 5 Staff Governors at any time may be appointed. A Staff Governor must be a staff member at the time when he/she is elected. If a Staff Governor ceases to be a staff member then he/she shall be deemed to have resigned and shall cease to be a Governor. The Governors shall make all necessary arrangements for, and determine all other matters relating to, an election of the Staff Governors, including any question of whether a person is a staff member. Any election of Staff Governors which is contested shall be held by secret ballot. The number of Staff Governors required shall be made up by Staff Governors appointed by the Governing Body if the number of staff members standing for election is less than the number of vacancies.
- d) The Headteacher ( ex officio Governor).

The Governors may appoint up to 3 Co-opted Governors.

The management of the Company is the responsibility of the Governors who are appointed under the terms of the Articles of Association.

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

Governors are subject to retirement after a term of 4 years, with the exception of Staff Governors whose term of office is 4 years. After the term they are eligible for re-election at the next Members Meeting at which they retire. This time limit does not apply to the Headteacher.

All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

### Policies and Procedures Adopted for the Induction and Training of Governors

During the year under review the Governors held five meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. Governors have access to the Local Authority Governor Training opportunities.

### Organisational Structure

The management structure consists of the Governors, Governing Body Committees, the Leadership Team and Team Leaders.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. Committees of the Governing Body have delegated responsibilities. Committees exist for Steering, Student Achievement and Progress, Student Support and Development, Finance and Resources, Hearings, Appeals, and Admissions.

The Leadership team consists of the Headteacher, 2 Deputy Headteachers and 2 Assistant Headteachers and the Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Headteacher is the Accounting Officer.

### Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of East Bergholt High School. There are no sponsors. All parents are members of the East Bergholt High School Association, which has charitable status, whose main aim is to raise funds to support the Academy.

## **Objectives and Activities**

### Objects and Aims

At East Bergholt High School we aim to provide a happy, caring and secure environment where young people are able to develop and work as members of a learning community. Learning is at the heart of our work and we are committed to celebrating the achievements of students and fostering a positive ethos based on equality of opportunity, self-discipline and consideration for others. High expectations underpin all aspects of the life and work of the School. We encourage all our students to take full advantage of the many opportunities open to them at East Bergholt and to see themselves as valued members of our School and the wider community.

Within this positive learning environment we aim to:

- Offer a broad and balanced curriculum which meets statutory requirements and provides programmes of study which are relevant and which promote progression in skills, attitudes, knowledge and understanding.
- Provide a range of stimulating, challenging and applied learning experiences which will meet the individual needs of all students, helping them achieve their full potential in all curriculum areas and encouraging them to enjoy value and appreciate their education.
- Encourage students to recognise their responsibilities as citizens and to appreciate and value others.
- Help students to develop rational thinking skills that enable them to make informed decisions on their own.
- Create independent learners with the capacity and enthusiasm to continue learning throughout their lives.
- Provide students with opportunities to develop their leadership skills.
- Give young people a voice in decision making processes.
- Help students to acquire knowledge and skills relevant to responsible adult life at home, at leisure and at work in a fast changing world.
- Encourage students to develop spiritual, moral, social and cultural values.

**Governors' Report (continued)**

- Encourage students to develop tolerant and sensitive attitudes towards people who are different in terms of their gender, age, race, religion and/or culture, for example, fostering a recognition that diversity enriches our society.
- Encourage students to respect that everyone in the School community and beyond has a right to equality of opportunity.
- Encourage students to understand and exercise a successful balance between their own rights and their responsibility for others.
- Help students to understand the world in which we live and the interdependence of individuals, groups and nations.
- Foster a respect for the environment.
- Encourage students to develop a sense of self-esteem and help them to derive satisfaction from their own achievements individually and collectively.
- Celebrate the achievements of students.
- Work in partnership with parents and the wider community.
- Promote a healthy life style.

**Objectives, Strategies and Activities**

The primary focus of our School work in 2014/15 was to respond to the areas for development as identified by Ofsted in September 2013. These were:

1. To increase the proportion of good and outstanding teaching, and eradicate teaching that requires improvement, by:
  - ensuring that all teachers make best use of information on students' expected levels of progress when planning lessons so that work is matched to all students' capabilities
  - making sure that all teachers' marking clearly indicates how well students are achieving, and tells students clearly how they can reach the next level of attainment
  - expecting all students to respond to their teachers' marking in some way
  - deploying additional adults in the classroom more effectively.
2. To implement a whole-school literacy policy.
3. To ensure that the members of the governing body strengthen their understanding of information on the achievement of different groups of students by ensuring they have access to up-to-date training.

Progress against the above targets, ensured that the school continued to improve student outcomes, and move towards our goal of being recognised by Ofsted as an outstanding School.

**Public Benefit**

The Governors confirm that they have had due regard to the Charity Commission's guidance on public benefit.

**Strategic Report*****Use of Reserves***

The combined net income for the year on Unrestricted funds and Restricted General Annual Grant funds amounts to 105,499. However, £68,000 of these additional reserves are already designated for the following purposes:

- £20,000 capital was planned to support a loan for Condition Funding which was not spent as the projects were not granted. This will be kept in reserve to support the bidding process for 2016.
- £3,000 of decorating has not been completed and A4 will not be completed until the roofing has been replaced.
- £11,000 was planned to remove an asbestos radiator from Music room 1. This will be completed in 2015-16.
- £9,000 to replace a Steamer with a Combi Oven in the main kitchen.
- £10,000 to install an optical fibre broadband connection to the school.
- £15,000 towards a 3G Replacement Fund, which was in the development Plan for the Football Foundation as part of our grant package. This is made up of £833 saving from the Sports Centre and £833 from the School budget to meet it in the first year. A further £13,334 will therefore be required from reserves to make up the shortfall.

***Achievements and Performance***

The 2015 GCSE examinations results were slightly below forecast, and were disappointing in several areas. Most notably was the drop in the performance of students in English. Other subjects in which performance dropped in 2015 were History, French and Geography; all subjects which require good literacy skills to reach the highest grades. This makes our work on developing student's literacy skills in our School Development Plan of the paramount importance.

**Governors' Report (continued)*****Achievements and Performance (continued)***

All subject development plans have been reviewed and amended since the start of the autumn term via a meeting with the HT and their SLT link person to review examination results. All subjects have identified specific areas they need to target during 2015/16 to promote achievement. All subject plans are available on request, however, in light of the importance of driving up standards in English, the English Team Development Plan is attached as an appendix to the whole School Development Plan.

To ensure our intervention work is effectively targeted, and to further improve our projections of future school performance, from September 2015, teachers will be asked to use a forecast grade to report student performance in KS4. Furthermore staff will be forecasting fine grades. (e.g. B+, B, B- ) The use of fine grades is an idea which has come from our membership of Pixl (Partners in Excellence). The school joined Pixl last May, and it is proving to be a rich source of ideas for school improvement strategies.

To reinforce expectations of leadership at levels in the School, a guide for curriculum leaders, was produced and distributed at the start of the autumn term. External scrutiny of our plan this year is being provided by Sue Hargadon, Headteacher of Farlingaye High School, Woodbridge, and National Leader of Education. Sue will first visit EBHS in October to test out the judgements we have made in our SEF. (Self-Evaluation Form)

Throughout the period the school has continued to offer students a wide range of extra-curricular trips, visits and clubs. During the Spring Term 2015 the school offered over 100 weekly extra-curricular activities for students across the whole school. The school continues to actively promote student leadership, and during the period students raised over £6,000 for a wide range of charities.

In September 2013 Ofsted carried out an Inspection of the school under section 5 of the Education Act 2005. The overall effectiveness of the School was judged to be "Good." The School had previously been judged by Ofsted (in February 2012) to be satisfactory. The improved judgement was due to raised standards in student achievement, and an improvement in the quality of teaching.

**Public examination performance**

	5A*-C (En&Ma%)	3 levels of progress in English	3 levels of progress in Maths	Average points score per candidate (capped)	English Baccalaureate
2015	56%	57%	67%	316	23%
2014	63%	74%	80%	325	36%
2013	71%	75%	81%	360	33%
2012	50%	74%	55%	364	29%

**Key Financial Performance Indicators**

East Bergholt High School converted to Academy status on 1 August 2011. The Academy has a PAN (Pupil Admissions Number) of 186 for each year group. The total number of students on roll for the Autumn Term census in October 2015 was 936. The net capacity of the school of 930 has been exceeded, as two year groups are currently operating over PAN. This is mainly due to the Academy losing admission appeals.

**Going Concern**

After making appropriate enquiries, the Governing Body 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.

**Financial Review**

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the Education Funding Agency (EFA) during the year ended 31<sup>st</sup> August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy has also been in receipt of capital grants from the EFA through the bid process for Capital Maintenance Fund. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants 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 expected useful life of the assets concerned.

During the year ended 31<sup>st</sup> August 2015, total expenditure of £5,023,341 exceeded the recurrent grant funding from the EFA and other incoming resources resulting in net outgoing resources for the year of £237,982.

**Governors' Report (continued)*****Financial Review (continued)***

At 31<sup>st</sup> August 2015 the net book value of fixed assets was £12,782,453 and movements in tangible fixed assets are shown within note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

In accordance with FRS17, the Academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31<sup>st</sup> August 2015 and supporting notes to the accounts 24.

**Financial and Risk Management Objectives and Policies**

The Academy has an agreed Risk Management strategy, a risk register and a risk management plan. These have been discussed by Governors and include financial risks to the Academy. The register and plan are constantly reviewed in light of any new information received and formally reviewed annually.

**Reserves Policy**

The Academy held fund balances at 31<sup>st</sup> August 2015 of £12,371,061 comprising of restricted funds, of which £12,782,453 relate to the restricted fixed asset fund, £82,238 general restricted funds, £352,370 unrestricted funds and a pension reserve deficit of £846,000. An amount of £68,000 has been transferred from the general unrestricted funds to a designated maintenance fund to meet the planned expenditure detailed on page 6 of this report.

School funding is based upon student numbers. Student numbers did increase in 2015 as a result of larger numbers of year 7 students joining from catchment. However demographic predictions within catchment over the next 3 years do look low. The Academy will ensure that it holds sufficient reserves to draw on and support future years where student numbers may have an adverse effect on funding. It is expected that student numbers will return to normal after this time.

The Governors have agreed that a contingency reserve of a minimum £150,000 should be held year on year in order to cover a temporary loss of income and therefore maintain staffing levels.

**Investment Policy**

The Academy operates two accounts with an Automatic Transfer Sweep to and from an Interest Bearing Account. This account offers the Academy an interest rate equivalent to base rate. The sweep operates at the close of each business day and keeps the Academy's current account at £10,000 in credit.

***Principal Risks and Uncertainties***

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors have implemented a number of systems to assess risks that the School faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (eg vetting of new staff and visitors, supervision of School grounds) and internal financial controls (see below), in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

The Governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However the Governors have procured the Responsible Officer Support Service from Schools Choice, a trading arm of Suffolk County Council (formerly CSD). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis Schools Choice undertake an independent review of the financial systems and provide a written report providing feedback on how the Academy's financial affairs are being discharged. The report includes action points identifying any areas for improvement.

This provides the Governing Body with assurance that:

- the financial responsibilities of the Governing Body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

These arrangements can provide only reasonable and not absolute assurance that assets are safe guarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The principal financial risk for the Academy is the failure to maintain student numbers. The Academy has initiated actions in order to mitigate this risk.



**Governors' Report (continued)**

As an Academy School, the level of financial risk is considered carefully. A Risk Register has been completed to assess possible financial risks and uncertainties facing the academy. This is reviewed on a yearly basis in line with the calendared outline suggested by the DFE.

For all other possible risks the academy has a Business Continuity Plan which is reviewed each year.

**Plans for Future Periods**

The School Development plan for 2015/16 has the following targets:

**1. Achievement**

To promote student achievement, with a focus on:

- a) Addressing the underperformance of English in 2015
- b) the achievement of students by gender.
- c) the proportion of students achieving A\*/A grades at GCSE.
- d) effective use of the pupil premium
- e) effective use of the catch-up premium

**2. Teaching**

- a) To ensure the teaching of literacy is highly effective and cohesively planned across the curriculum
- b) To ensure students receive high quality feedback and that this is used to improve learning
- c) To improve the quality of provision for SEND students.

**3. Behaviour and Attendance**

- a) To review our current Behaviour and Rewards Policy

**4. Leadership and Management**

- a) To review assessment in light of;
  - i) new a NC in KS3 in 2015/16
  - ii) no KS2 levels in 2016/17
- b) To review the PSHE curriculum
- c) To prepare for the introduction new GCSE specifications

We will also make sure that we use our resources wisely, for the benefit of our students, and deliver against our budget plans

**Auditor**

In so far as the Governors are aware:

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

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

Governors' Report, incorporating a strategic report, approved by order of the members of the Governing Body, as the company directors, on 8 December 2015 and signed on its behalf by:



**Peter Espley**  
Chair of Governors

## Governance Statement

### Scope of Responsibility

As Governors we acknowledge we have overall responsibility for ensuring that East Bergholt High School Academy 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 East Bergholt High School Academy 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 Trustee's Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Governor	Meetings attended	Out of a possible
Mr Colin Turner (Headteacher)*	5	5
Mrs Jannette Beckett* (retired Feb 2015)	2	3
Mr Antonio Carrino	3	5
Prof Ian Colbeck	2	5
Mrs Justine Davies (elected Oct 2015)	5	5
Mr Peter Espley *	5	5
Mr Ian Evans	4	5
Mr Michael Howlett (retired July 2015)	4	5
Mrs Alison Huard (elected Oct 2015)	4	5
Mr Michael Huard	4	5
Mrs Diane Knights	4	5
Mrs Judi Lock *	5	5
Mrs Diane Owen	5	5
Mr Mark Scott *	2	5
Mr Chris Smith *	5	5
Mr Gareth Spinner*(elected Dec 2014)	4	4
Mrs Martha Taylor	3	5
Rev Stephne van der Toorn	4	5
Mr Ralph Tyldesley*	3	5

The **Finance and Resources Committee** is a sub-committee of the main board of Governors. Its purpose is to have strategic oversight of the Academy's finances and capital development and maintenance including Health and Safety. The Committee also has an audit function to monitor expenditure and internal accounting controls. Full terms of reference for this committee are agreed annually by the Full Governing Body.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Colin Turner	6	6
Mrs Jannette Beckett (retired Feb 2015)	2	3
Mr Peter Espley	5	6
Mrs Judi Lock	6	6
Mr Mark Scott	3	6
Mr Chris Smith	6	6
Mr G Spinner (elected May 2015)	1	1
Mr Ralph Tyldesley	6	6

## Governance Statement (continued)

### Review of Value for Money

The Headteacher, as Accounting Officer of East Bergholt High School, is responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. The Headteacher is aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

We set out below how we have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

### The Governors' Approach

During the year Governors have consistently applied the four principles of achieving best value:

- **Challenge** - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- **Compare** - How does the school's student performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- **Consult** - How does the school seek the views of stakeholders about the services the school provides?
- **Compete** - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

The Governors and school leaders have applied the above principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all students.

### Improving Educational Results:

We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements by targeting resources in line with the School Development Plan priorities, including:

- The provision of additional classes, e.g. after school and holiday classes, to support year 11 students.
- The appointment of a Literacy tutor to expand the English intervention programme.
- The appointment of a lead Practitioner to support the development of Teaching and Learning

Progress against School Development Plan targets is reported termly to Governors.

In addition to targeting resources to support our development plan targets, we have continued to monitor and review our spending in the following areas:

- **Staffing.** We regularly review our staffing structure. All new appointments are carefully considered in light of future curriculum changes.
- **Home Tuition.** We are now working closely with a tutoring company to provide effective home tuition for a small number of students with medical conditions.
- **Foreign Language Assistants.** We continue to share Foreign Language Assistants in French and German with a neighbouring High School.
- **Vocational Courses.** We work closely with Colleges of Further education to ensure our curriculum at KS4 has breadth and provides for the needs of all students.
- **Governor training** is frequently shared with other schools. e.g. Safeguarding training

### Financial Governance and Oversight:

Our governance arrangements include regular monitoring by the Governing Body and its committees, including the Finance and Resources Committee (FRC), which also acts as the Audit Committee. The FRC receive regular financial reports from the school's Business Manager and ask relevant challenging questions on school expenditure. FRC discussions are evidenced in the minutes of their meetings.

There are two financial specialists on the Finance and Resources Committee. The work of this committee is further informed by regular reports from an independent internal auditor.

**Governance Statement (continued)****Review of Value for Money (continued)****Better Purchasing:**

Examples of steps taken to ensure value for money when purchasing include:

- Exploring alternative purchasing options both on-line and direct through suppliers to find the best value. Examples of these are: changing the supplier of late buses, log books and printing all through competitive quotations.
- Working with other local schools within the SWISS partnership to identify products and services that can be procured across a number of schools in order to drive down cost and/or negotiate favourable rates e.g. maintenance and H&S contracts
- Benchmarking and sharing of information regarding contractors etc, is regularly discussed at local Academy forums which are attended by Headteacher's and Business Manager's.
- The Business Manager and Finance Officer have been influential in driving down costs through better procurement of services and resources. Initial quotations are regularly challenged which results in lower costs.
- Greater use is being made of buying resources via the internet greater which results in lower costs.
- Contracts are reviewed on an annual basis to ensure they are fit for purpose and best value.

**Better Income Generation:**

Examples of steps to maximise income include:

- Further development of the school facilities that provide both good Community links as well as increased income. We managed to raise in excess of £350,000 in grants and donations in order to build a 3G football pitch that has enhanced our PE provision in school, as well as providing an enhanced source of income out of school.
- Host and organise in school training courses to minimise our expenditure and to bring in income from other schools.
- Letting of school grounds e.g. Caravan Club
- The school's banking arrangements ensure that our current account sweeps all balances above £10,000 into a higher interest account each evening.

**Reviewing Controls and Managing Risks:**

The FRC, Business Manager, budget holders and the Senior Leadership Team have reviewed regular budget reports, including future recommendations. This has ensured that spending is within budget and forward plans are agreed and implemented when there has been any variance.

Actions taken to manage risk include the purchase of an appropriate level of insurance cover, following consultation with the school's broker.

The school have opted to join the DFE's RPA from 01 September 2014 to reduce the cost of insurance premiums. Professional advice (for example from the HR and legal service providers) has also been sought when needed.

**Future Objectives:**

We recognise the need to continue developing relationships with other academies and/or local schools, in order to benefit from economies of scale in procuring products and services, developing staff and sharing knowledge, skill and expertise.

**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 East Bergholt High School for the year ended 31 August 2015 and up to the date of approval for the Annual Report and Financial Statements.

**Capacity to Handle Risk**

The board of Governors 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 period to 31 August 2015 and up to the date of approval for the Annual Report and Financial Statements. This process is regularly reviewed by the Governing Body.

**Governance Statement (continued)****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 Governing Body has considered the need for a specific internal audit function and has decided to appoint Schools' Choice (Suffolk County Council) to provide this service. Schools' Choice makes three (3) visits per year to carry out an inspection and its findings are reported to the School Governors' Finance & Resources Committee. The report includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

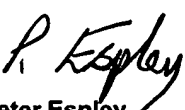
**Review of Effectiveness**

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:

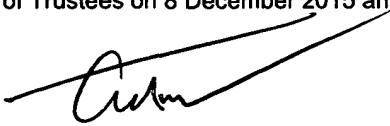
- the work of the Responsible Officer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and a plan to address the weaknesses (if relevant) and ensure continuous improvement of the system is in place.

Approved by order of the member of the board of Trustees on 8 December 2015 and signed on its behalf by:



**Peter Espley**  
Chair of Governors



**Colin Turner**  
Accounting Officer

East Bergholt High School

**Statement of Regularity, Propriety and Compliance**

As accounting officer of East Bergholt High School Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body 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. As part of my consideration I have had due regard to the requirements of the Financial Academies Handbook.

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

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



**Colin Turner**  
Accounting Officer  
8 December 2015

## Statement of Governors' Responsibilities

The Governors (who act as Trustees for charitable activities of East Bergholt High School Academy Trust and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts 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 the 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 year. In preparing these financial statements, the Trustees are required to:

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

The 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 the order of the members of the Governing Body on 8 December 2015 and signed on its behalf by:



**Peter Espley**  
Chair of Governors

## **Independent Auditor's Report to the members of East Bergholt High School**

We have audited the financial statements of East Bergholt High School for the year ended 31 August 2015 which comprise of 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 Annual Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities set out on page 15, the governors (who are also the directors of the academy trust 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 (APB'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 trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' 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 trust's affairs as at 31 August 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

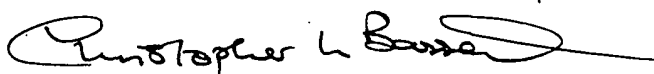
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Annual 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Christopher L Bassett (Senior Statutory Auditor)**

For and on behalf of Izod Bassett, Statutory Auditor, 105 High Street, Needham Market, Suffolk, IP6 8DQ  
8 December 2015



## **Independent Reporting Accountant's Assurance Report on Regularity to East Bergholt High School and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 27 September 2013 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 East Bergholt High School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to East Bergholt High 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 East Bergholt High 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 East Bergholt High School and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of East Bergholt High School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of East Bergholt High School's funding agreement with the Secretary of State for Education dated 01 July 2011 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

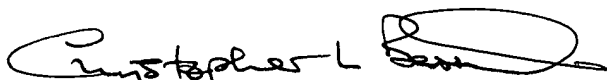
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- enquiry of governors, officers and staff;
- inspection of accounting records and related documentation;
- review of responsible officer reports, meeting minutes, policy and other relevant documents.

### **Conclusion**

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



**Christopher L Bassett (Senior Statutory Auditor)**  
Chartered Accountants  
105 High Street, Needham Market, Suffolk, IP6 8DQ

8 December 2015

**Statement of Financial Activities for the year ended 31 August 2015**  
**(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Notes	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Fund	Total Year ended 31 August 2015	Total Year ended 31 August 2014
		£	£	£	£	£
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary Income	2	4,198	-	11,850	16,048	15,828
Activities for generating funds	3	141,946	72,673	-	214,619	186,069
Investment income	4	3,223	-	-	3,223	4,819
<i>Incoming resources from charitable activities:</i>						
Funding for the academy's educational operations	5	3,438	4,255,353	30,582	4,289,373	4,650,986
Other income	6	120,508	141,678	-	262,186	258,699
<b>Total incoming resources</b>		<u>273,313</u>	<u>4,469,704</u>	<u>42,432</u>	<u>4,785,449</u>	<u>5,116,401</u>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Cost of activities for generating funds		114,593	14,199	-	128,792	99,936
<i>Charitable activities:</i>						
Academy educational operations	8	135,459	4,364,411	383,801	4,883,671	4,902,374
<i>Governance costs</i>	9	-	10,878	-	10,878	8,945
<b>Total resources expended</b>	7	<u>250,052</u>	<u>4,389,488</u>	<u>383,801</u>	<u>5,023,341</u>	<u>5,011,255</u>
<b>Net incoming/(outgoing) resources before transfers</b>		23,261	80,216	(341,369)	(237,892)	105,146
Gross transfers between funds	16	-	(15,978)	15,978	-	-
<b>Net income/(expenditure) for the year</b>		<u>23,261</u>	<u>64,238</u>	<u>(325,391)</u>	<u>(237,892)</u>	<u>105,146</u>
<i>Other recognised gains and losses:</i>						
Actuarial (losses)/gains on defined benefit pension scheme	24	-	(37,000)	-	(37,000)	(283,000)
<b>Net movement in funds</b>		<u>23,261</u>	<u>27,238</u>	<u>(325,391)</u>	<u>(274,892)</u>	<u>(177,854)</u>
Total funds brought forward at 1 September 2014		<u>329,109</u>	<u>(791,000)</u>	<u>13,107,844</u>	<u>12,645,953</u>	<u>12,823,807</u>
<b>Total funds carried forward at 31 August 2015</b>		<u><u>352,370</u></u>	<u><u>(763,762)</u></u>	<u><u>12,782,453</u></u>	<u><u>12,371,061</u></u>	<u><u>12,645,953</u></u>

All of the academy's activities derive from continuing operations during the above two financial years.

## East Bergholt High School

## Balance Sheet as at 31 August 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	13	<u>12,782,453</u>	<u>13,107,844</u>
<b>Current assets</b>			
Stocks		3,136	-
Debtors	14	131,603	206,420
Cash at bank and in hand		<u>506,123</u>	<u>219,544</u>
		<b>640,862</b>	<b>425,964</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	15	<u>(206,254)</u>	<u>(96,855)</u>
<b>Net current assets</b>		<u><b>434,608</b></u>	<u><b>329,109</b></u>
<b>Net assets excluding pension liability</b>		<b>13,217,061</b>	<b>13,436,953</b>
<b>Pension scheme liability</b>	24	<u><b>(846,000)</b></u>	<u><b>(791,000)</b></u>
<b>Net assets including pension liability</b>		<u><u><b>12,371,061</b></u></u>	<u><u><b>12,645,953</b></u></u>
<b>Funds of the academy:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	16	12,782,453	13,107,844
- General funds	16	82,238	-
- Pension reserve	16	<u>(846,000)</u>	<u>(791,000)</u>
<b>Total restricted funds</b>		<u><b>12,018,691</b></u>	<u><b>12,316,844</b></u>
<b>Unrestricted funds</b>			
- General fund	16	284,370	329,109
- Designated fund	16	<u>68,000</u>	<u>-</u>
<b>Total unrestricted funds</b>		<u><b>352,370</b></u>	<u><b>329,109</b></u>
<b>TOTAL FUNDS</b>		<u><u><b>12,371,061</b></u></u>	<u><u><b>12,645,953</b></u></u>

The financial statements on pages 18 to 33 were approved by the Governors, and authorised for issue on 8 December 2015 and are signed on their behalf by:



**Peter Espley**  
Chair of Governors

## East Bergholt High School

**Cash Flow Statement for the year ended 31 August 2015**

	<b>Notes</b>	<b>2015 £</b>	<b>2014 £</b>
Net cash inflow/(outflow) from operating activities	19	<b>299,334</b>	(258,262)
Returns on investments and servicing of finance	20	<b>3,223</b>	4,819
Capital expenditure	21	<b>(15,978)</b>	(86,806)
Increase/(decrease) in cash in the year	22	<b>286,579</b>	(340,249)
<i>Reconciliation of net cash flow to movement in net funds</i>			
Net funds at 1 September 2014		<b>219,544</b>	559,793
<b>Net funds at 31 August 2015</b>		<b>506,123</b>	<b>219,544</b>

## Notes to the Financial Statements for the Year Ended 31 August 2015

### 1. Statement of Accounting Policies

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### Going Concern

The 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 company 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.

#### Incoming Resources

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

- **Grants receivable**

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

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

- **Donations**

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

- **Other income**

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

- **Donated Services and gifts in kind**

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

#### Resources Expended

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

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)****1. Statement of Accounting Policies (continued)****Tangible Fixed Assets**

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Leasehold land and buildings	2%
Plant and Machinery	20%
Furniture and equipment	20%
Computer equipment and software	33%
Motor vehicles	20%

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

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

**Leased Assets**

Rentals under operating leases are charged on straight line basis over the lease term.

**Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 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.

**Pensions Benefits**

Retirement benefits to employees of the Academy Trust 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 Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)****1. Statement of Accounting Policies (continued)****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 grantor where the asset acquired or created is held for a specific purpose.

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

**2 Voluntary income**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Donations – revenue	4,198	-	4,198	15,828
Donations – capital		11,850	11,850	-
	<u>4,198</u>	<u>11,850</u>	<u>16,048</u>	<u>15,828</u>
	=====	=====	=====	=====

**3 Activities for Generating Funds**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Income from services provided	120,620	58,474	179,094	149,205
Items sold	12,175	14,199	26,374	27,797
Hire of facilities	9,151	-	9,151	9,067
	<u>141,946</u>	<u>72,673</u>	<u>214,619</u>	<u>186,069</u>
	=====	=====	=====	=====

**4 Investment Income**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Short term deposits	3,223	-	3,223	4,819
	<u>3,223</u>	<u>-</u>	<u>3,223</u>	<u>4,819</u>
	=====	=====	=====	=====

**5 Funding for Academy's Educational Operations**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	4,115,771	4,115,771	4,143,481
Other DfE/EFA grants	-	126,995	126,995	132,821
	<u>-</u>	<u>4,242,766</u>	<u>4,242,766</u>	<u>4,276,302</u>
	=====	=====	=====	=====
<b>DfE/EFA capital grants</b>				
Devolved Formula Capital	-	19,256	19,256	19,559
Capital projects	-	-	-	95,349
	<u>-</u>	<u>19,256</u>	<u>19,256</u>	<u>114,908</u>
	=====	=====	=====	=====
<b>Other Government Grants</b>				
Local authority grants - revenue	3,438	12,587	16,025	19,589
Local authority grants - capital	-	-	-	25,000
	<u>3,438</u>	<u>12,587</u>	<u>16,025</u>	<u>44,589</u>
	=====	=====	=====	=====
<b>Non-government grants</b>				
The Football Foundation - capital	-	11,326	11,326	215,187
	<u>3,438</u>	<u>4,285,935</u>	<u>4,289,373</u>	<u>4,650,986</u>
	=====	=====	=====	=====

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 6 Other income from educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Educational trips	-	141,678	141,678	149,364
Catering income	120,508	-	120,508	105,350
Insurance claim proceeds	-	-	-	3,848
Gain on fixed asset disposals	-	-	-	137
	<u>120,508</u>	<u>141,678</u>	<u>262,186</u>	<u>258,669</u>
	=====	=====	=====	=====

## 7 Resources Expended

	Staff Costs £	Premises £	Other Costs £	Total 2015 £	Total 2014 £
<b>Costs of activities for generating funds</b>	<u>79,703</u>	<u>-</u>	<u>49,089</u>	<u>128,792</u>	<u>99,936</u>
<b>Academy's educational operations:</b>					
Direct costs	3,048,901	272,246	637,522	3,958,669	4,023,952
Allocated Support costs	<u>368,898</u>	<u>213,093</u>	<u>343,011</u>	<u>925,002</u>	<u>878,422</u>
	<u>3,417,799</u>	<u>485,339</u>	<u>980,533</u>	<u>4,883,671</u>	<u>4,902,374</u>
	=====	=====	=====	=====	=====
<b>Governance costs</b>	<u>-</u>	<u>-</u>	<u>10,878</u>	<u>10,878</u>	<u>8,945</u>
	=====	=====	=====	=====	=====
<b>Total resources expended</b>	<u>3,497,502</u>	<u>485,339</u>	<u>1,040,500</u>	<u>5,023,341</u>	<u>5,011,255</u>
	=====	=====	=====	=====	=====

## Incoming/outgoing resources for the year include:

	2015 £	2014 £
Operating leases – plant and machinery	<u>34,626</u>	<u>19,225</u>
	=====	=====



## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 8 Charitable Activities – Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b>Direct Costs</b>				
Teaching and educational support staff cost	-	3,019,027	3,019,027	3,052,572
Agency teaching	-	29,874	29,874	53,115
Direct costs - Depreciation	-	383,801	383,801	356,632
Educational trips	-	141,678	141,678	149,364
Educational supplies	2,050	160,230	162,280	190,809
Examination fees	-	67,282	67,282	78,037
Staff development	-	19,049	19,049	25,487
Educational consultancy	-	41,300	41,300	51,256
Pupil transport	131	21,689	21,820	21,877
Technology	-	59,673	59,673	28,598
Other direct costs	-	12,885	12,885	16,205
	<u>2,181</u>	<u>3,956,488</u>	<u>3,958,669</u>	<u>4,023,952</u>
<b>Allocated Support Costs</b>				
Support staff costs	-	386,898	386,898	329,294
Pupil recruitment and support	-	7,288	7,288	7,896
Maintenance of premises and equipment	917	110,098	111,015	113,978
Cleaning	-	69,100	69,100	74,168
Rent, rates and water	-	32,977	32,977	30,254
Insurance	-	25,996	25,996	28,385
Travel and subsistence	186	1,207	1,393	4,342
Catering	128,193	30,444	158,637	143,607
Heat and light	3,539	55,434	58,973	66,089
Technology	250	25,599	25,849	39,632
Supplies, printing and telephone	193	10,438	10,631	14,556
Legal & professional fees	-	36,243	36,243	24,406
Other support costs	-	2	2	1,815
	<u>133,278</u>	<u>791,724</u>	<u>925,002</u>	<u>878,422</u>
<b>Total cost of charitable activities</b>	<u>135,459</u> =====	<u>4,748,212</u> =====	<u>4,883,671</u> =====	<u>4,902,374</u> =====

## 9 Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	2,343	2,343	595
Auditor's remuneration				
- audit of financial statements	-	4,750	4,750	4,650
- other assurance services	-	2,260	2,260	2,200
- accounting and taxation services	-	1,525	1,525	1,500
	<u>-</u>	<u>10,878</u>	<u>10,878</u>	<u>8,945</u>
	=====	=====	=====	=====

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)****10 Staff Costs**

Staff costs during the year were:	2015 £	2014 £
Wages and salaries	2,833,325	2,836,866
Social security costs	201,423	201,531
Other pension costs	432,880	416,763
	<hr/>	<hr/>
	3,467,628	3,455,160
Supply teacher costs	29,874	53,115
Staff restructuring costs	-	5,876
	<hr/>	<hr/>
	3,497,502	3,514,151
	<hr/>	<hr/>

The staff restructuring costs in 2014 was a non-statutory and non-contractual severance payment for one individual.

The average number of persons (including senior management team) employed by the academy during the year:

	2015	2014
<b>Charitable Activities</b>		
Teachers	50	49
Administration and support	31	30
Management	6	8
	<hr/>	<hr/>
	87	87
	<hr/>	<hr/>

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

	2015	2014
£60,001 - £70,000	2	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

All the above employees participated in the Teachers' Pension Scheme.

**11 Related Party Transactions – 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 principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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:

	Remuneration		Employer's pension contributions	
	2015	2014	2015	2014
C Turner (principal and trustee)	£80,000-£85,000	£80,000-£85,000	£10,000-£15,000	£10,000-15,000
T Carrino	£50,000-£55,000	£50,000-£55,000	£5,000-£10,000	£5,000-£10,000
J Lock	£25,000-£30,000	£25,000-£30,000	£0-£5,000	£0-£5,000
M Taylor	£40,000-£45,000	£40,000-£45,000	£5,000-£10,000	£5,000-£10,000
D Owen	£50,000-£55,000	£50,000-£55,000	£5,000-£10,000	£5,000-£10,000

**12 Governors and officers' insurance**

The academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme

## East Bergholt High School

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 13 Tangible fixed assets

	Leasehold land and Buildings £	Plant and machinery £	Furniture and equipment £	Computer equipment and software £	Motor vehicles £	Total £
<b>Cost:</b>						
At 1 September 2014	13,610,831	259,120	61,166	131,326	8,500	14,070,943
Additions	2,803	28,278	2,500	24,829	-	58,410
Disposals	-	-	-	-	-	-
<b>At 31 August 2015</b>	<b>13,613,634</b>	<b>287,398</b>	<b>63,666</b>	<b>156,155</b>	<b>8,500</b>	<b>14,129,353</b>
<b>Depreciation:</b>						
At 1 September 2014	799,417	82,266	15,620	62,396	3,400	963,099
Charge for year	272,246	55,667	12,733	41,455	1,700	383,801
Disposals	-	-	-	-	-	-
<b>At 31 August 2015</b>	<b>1,071,663</b>	<b>137,933</b>	<b>28,353</b>	<b>103,851</b>	<b>5,100</b>	<b>1,346,900</b>
<b>Net written down values</b>						
At 31 August 2015	12,541,971	149,465	35,313	52,304	3,400	12,782,453
At 31 August 2014	12,811,414	176,854	45,546	68,930	5,100	13,107,844

## 14 Debtors

	2015 £	2014 £
Trade debtors	1,095	-
Grants receivable	-	35,478
Other debtors	-	10,100
VAT receivable	26,698	111,229
Prepayments and accrued income	103,810	49,613
	<b>131,603</b>	<b>206,420</b>

## 15 Creditors: amounts falling due within one year

	2015 £	2014 £
Expense creditors	22,189	21,655
Taxation and social security	57,831	-
Other creditors	57,000	-
Accruals and deferred income	69,234	75,200
	<b>206,254</b>	<b>96,855</b>
<b>Deferred income</b>		
Deferred income at 1 September 2014	26,064	31,610
Resources deferred in year	50,055	26,064
Amounts released from previous year	(26,064)	(31,610)
Deferred income at 31 August 2015	<b>50,055</b>	<b>26,064</b>

At the balance sheet date the academy was holding funds received in advance relating to grant income of £14,993 and £35,062 for educational visits and school productions.

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 16 Funds

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant	-	4,115,771	(3,867,555)	(165,978)	82,238
Other DfE/EFA Grants	-	126,995	(126,995)	-	-
Pension reserve	(791,000)	-	(168,000)	113,000	(846,000)
Other restricted funds	-	226,938	(226,938)	-	-
	<u>(791,000)</u>	<u>4,469,704</u>	<u>(4,389,488)</u>	<u>(52,978)</u>	<u>(763,762)</u>
<b>Restricted Fixed Assets</b>					
Gifted on conversion by local authority	11,880,239	-	(280,389)	-	11,599,850
DfE/EFA capital grants	610,242	19,256	(40,851)	-	588,647
Capital expenditure from GAG	245,018	-	(50,954)	15,978	210,042
Capital expenditure from other funds	372,345	23,176	(11,607)	-	383,914
	<u>13,107,844</u>	<u>42,432</u>	<u>(383,801)</u>	<u>15,978</u>	<u>12,782,453</u>
<b>Total Restricted Funds</b>	<u>12,316,844</u>	<u>4,512,136</u>	<u>(4,773,289)</u>	<u>(37,000)</u>	<u>12,018,691</u>
<b>Unrestricted funds</b>					
General funds	329,109	273,313	(250,052)	(68,000)	284,370
Designated maintenance fund	-	-	-	68,000	68,000
<b>Total unrestricted funds</b>	<u>329,109</u>	<u>273,313</u>	<u>(250,052)</u>	<u>-</u>	<u>352,370</u>
<b>Total Funds</b>	<u>12,645,953</u> =====	<u>4,785,449</u> =====	<u>(5,023,341)</u> =====	<u>(37,000)</u> =====	<u>12,371,061</u> =====

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

Other EFA Grants of £126,995 includes Pupil Premium which was fully spent as at 31 August 2015.

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

The Trust is carrying forward a balance on the General Annual Grant fund of £82,238, a nil balance on other restricted general funds and a net surplus of £352,370 unrestricted funds, of which £68,000 has been designated for future maintenance expenditure.

## 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted General funds £	Restricted Fixed asset funds £	Total Funds £
Funds balances at 31 August 2015 are represent by				
Tangible fixed assets	-	-	12,782,453	12,782,453
Current assets	363,086	277,776	-	640,862
Current liabilities	(10,716)	(195,538)	-	(206,254)
Non-current liabilities	-	-	-	-
Pension scheme liabilities	-	(846,000)	-	(846,000)
	<u>352,370</u>	<u>(763,762)</u>	<u>12,782,453</u>	<u>12,371,061</u>
<b>Total net assets</b>	<u>352,370</u> =====	<u>(763,762)</u> =====	<u>12,782,453</u> =====	<u>12,371,061</u> =====

## East Bergholt High School

## Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

## 18 Financial commitments

**Operating leases**

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

	2015 £	2014 £
Expiring within one year	-	-
Expiring within two to five years inclusive	34,626	34,626
Expiring in over five years	-	-
	=====	=====

## 19 Reconciliation of net income to net cash inflows

	2015 £	2014 £
Net (outgoing)/ incoming resources	(237,892)	105,146
Depreciation	383,801	356,632
Capital grants from DfE and other sources	(42,432)	(355,095)
Interest receivable	(3,223)	(4,819)
FRS17 pension cost less contributions payable	13,000	(21,000)
FRS17 pension finance income	5,000	9,000
Increase in stocks	(3,136)	-
Decrease/(increase) in debtors	74,817	(142,568)
Increase /(decrease) in creditors	109,399	(205,558)
	=====	=====
<b>Net cash inflow/(outflow) from operating activities</b>	<b>299,334</b>	<b>(258,262)</b>

## 20 Returns on investments and servicing of finance

	2015 £	2014 £
Interest received	3,223	4,819
	=====	=====

## 21 Capital expenditure and financial investments

	2015 £	2014 £
Purchase of tangible assets	(58,410)	(444,098)
Capital grants	42,432	355,095
Receipts from sale of of tangible fixed assets	-	2,197
	=====	=====
<b>Net cash outflow on capital expenditure</b>	<b>(15,978)</b>	<b>(86,806)</b>

## 22 Analysis of charges in net funds

	At 1 September 2014	Cash flows £	At 31 August 2015
		£	£
Cash at bank and in hand	219,544	286,579	506,123
	=====	=====	=====

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)****23 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 £10 for the debts and liabilities contracted before he/she ceases to be a member.

**24 Pensions and similar obligations**

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Suffolk County Council. Both are multi-employer 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 £56,196 (2014:£nil) were payable to the schemes 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.

**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 £282,298 (2014: £284,382).

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 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.

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)****24 Pensions and similar obligations (continued)****Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £186,000, of which employer's contributions totalled £150,000 and employees' contributions totalled £36,000. The agreed contribution rates for future years are 25.5% for employers and a variable % for employees dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £13,600	5.50%
£13,601 - £21,200	5.80%
£21,201 - £34,400	6.50%
£34,401 - £43,500	6.80%
£43,501 - £60,700	8.50%
£60,701 - £86,000	9.90%
£86,001-£101,200	10.50%
£101,201-£151,800	11.40%
Above £151,800	12.50%

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.

**Principal Actuarial Assumptions**

	At 31 August 2015	At 31 August 2014
	% p.a.	% p.a.
Pension increase rate	2.60	2.60
Salary increase rate	4.50	4.40
Expected return on assets	3.70	5.50
Discount rate	3.70	3.70

**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)****24 Pensions and similar obligations (continued)**

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

	At 31 August 2015 Years	At 31 August 2014 Years
<i>Current pensioners</i>		
Male	22.4	22.4
Female	24.4	24.4
<i>Future pensioners</i>		
Male	24.3	24.3
Female	26.9	26.9

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £	Expected return at 31 August 2014	Fair value at 31 August 2014 £
Equities	3.70%	993,000	6.40%	876,000
Bonds	3.70%	311,000	3.40%	270,000
Property	3.70%	163,000	4.50%	129,000
Cash	3.70%	15,000	3.30%	13,000
<b>Total market value of assets</b>		<b>1,482,000</b>		<b>1,288,000</b>
Present value of scheme liabilities				
- Funded		<u>(2,328,000)</u>		<u>(2,079,000)</u>
<b>Deficit in the scheme</b>		<b><u>(846,000)</u></b>		<b><u>(791,000)</u></b>

None of the fair values of the assets shown above includes any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

The return on the Fund in market value terms for the year to 31 August 2015 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary.

The actual return on scheme assets was 3.9% (2014: 11.8%).

**Amounts recognised in the statement of financial activities**

	2015 £000	2014 £000
Current service cost	163	136
Past service cost	-	-
<b>Total operating charge</b>	<b>163</b>	<b>136</b>

**Analysis of pension finance income/(costs)**

	2015 £000	2014 £000
Expected return on pension scheme assets	75	67
Interest on pension liabilities	(80)	(76)
<b>Pension finance income/(costs)</b>	<b>(5)</b>	<b>(9)</b>



**Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)****24 Pensions and similar obligations (continued)**

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £408,000 loss (2014: £371,000 loss)

**Movements in the present value of defined benefit obligations:**

	2015 £000	2014 £000
<b>At 1 September</b>	<b>2,079</b>	<b>1,583</b>
Current service cost	163	136
Interest cost	80	76
Employee contributions	36	34
Actuarial (gain)/loss	15	295
Curtailements and settlements	-	-
Estimated benefits paid	(45)	(45)
<b>At 31 August</b>	<b>2,328</b>	<b>2,079</b>

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

	2015 £000	2014 £000
<b>At 1 September</b>	<b>1,288</b>	<b>1,063</b>
Expected return on assets	75	67
Actuarial gain/(loss)	(22)	12
Employer contributions	150	157
Employee contributions	36	34
Estimated benefits paid	(45)	(45)
<b>At 31 August</b>	<b>1,482</b>	<b>1,288</b>

The estimated value of employer contributions for the year ended 31 August 2016 is £160,000.

**History of experience adjustments:**

	2015 £000	2014 £000	2013 £000	2012 £000
Present value of defined benefit obligations	(2,328)	(2,079)	(1,583)	(1,289)
Fair value of share of scheme assets	1,482	1,288	1,063	788
<b>Deficit in the scheme</b>	<b>(846)</b>	<b>(791)</b>	<b>(520)</b>	<b>(501)</b>
Experience adjustments on share of scheme assets	(22)	12	75	(35)
Experience adjustments on scheme liabilities	4	(10)	(77)	(51)

**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. No related party transaction took place in the period of account.