

**FULBROOK ACADEMY**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**



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**FULBROOK ACADEMY**  
**(A company limited by guarantee)**

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

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**Members (Trustees and  
Governors)**

Amanda Knibb, (Chair of Governors appointed 9 June 2015)  
Angela Evans  
Nik Hartley (appointed 24 June 2015)<sup>1</sup>  
Vincent Mulligan<sup>1</sup>  
Michael Kitt, (resigned as Member/Trustee 25 June 2015 remains as Other  
Governor)  
Lindsay Smith, (resigned as Member/Trustee 20 May 2015 remains as Other  
Governor)<sup>1</sup>

**Other Governors**

Fiona Bishop, Staff Governor  
Samantha Clancy, Principal and Accounting Officer (appointed 1 September 2015)<sup>1</sup>  
Vanessa Harris  
Sally Hartley  
Rosemary Robson-Green<sup>1</sup>  
Lindsay Smith<sup>1</sup>  
Clair McDowell, Staff Governor (appointed 20 May 2015)  
Paul Farrant (appointed 22 October 2014)<sup>1</sup>  
Toby Barrett (appointed 4 February 2015)<sup>1</sup>  
Naysan Firoozmand (appointed 20 May 2015)  
Gary Botsford (resigned 2 October 2014)<sup>1</sup>  
Kelly Dancer, Staff Governor (resigned 4 February 2015)  
Fiona Chapman (resigned 24 June 2015)<sup>1</sup>  
Stephen Cardwell, Principal and Accounting Officer (resigned 31 August 2015)<sup>1</sup>

<sup>1</sup> Finance, Staffing and Estates Committee

**Company registered  
number**

07695419

**Principal and registered  
office**

Fulbrook Academy  
Weathercock Lane  
Milton Keynes  
Buckinghamshire  
MK17 8NP

**Company secretary**

Linda Diaby

**Senior management  
team**

Samantha Clancy, Headteacher  
Jonathan Wall, Deputy Headteacher  
Linda Diaby, Business Manager

**Independent auditor**

MHA MacIntyre Hudson  
Chartered Accountants  
Statutory Auditors  
Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES  
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**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Administrative details (continued)**

<b>Bankers</b>	Lloyds Bank Plc Lloyds Court 28 Secklow Gate West Milton Keynes Buckinghamshire MK9 3EH
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<b>Solicitors</b>	Browne Jacobson LLP Mowbray House Castle Meadow Nottingham NG2 1BJ
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**FULBROOK ACADEMY**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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The trustees present their annual report together with the financial statements and auditors' reports 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 trust operates an academy for pupils aged 9 to 13 serving a catchment area in Woburn Sands. It has a pupil capacity of 440 and had a roll of 407 in the school census on 1 October 2015.

**Structure, governance and management**

**CONSTITUTION**

Fulbrook Academy (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 Fulbrook Academy are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Fulbrook Academy (also known as Fulbrook Middle School).

Details of the trustees who served during 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**

Governors benefit from indemnity insurance to cover the liability of the Governors 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 £192.21.

**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The Members of the Trust are responsible for the appointment of Governors except three parent Governors, up to one Local Authority Governor who may be appointed by the Local Authority and up to two staff Governors who will be appointed through an election process directed by the governing body. In the event that these positions are not filled, the Members of the Trust are able to appoint to these positions.

The number of Governors shall not be less than three.

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Governors are appointed based on the skills that they will bring to the governing body or based on a proposal to the governing body by representative groups. On appointment, governors receive information relating to the Academy Trust and attend a briefing and receive an induction pack on the role and responsibilities of Governors.

During the year, Governors are offered and encouraged to attend all necessary training.

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**FULBROOK ACADEMY**  
**(A company limited by guarantee)**

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

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**ORGANISATIONAL STRUCTURE**

The governance of the Academy Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department for Education.

All Governors are members of the Full Governing Body. In addition governors are members of committees who report to the Full Governing Body. There are two Governors' committees.

The Finance, Estates and Staffing Committee report to the Full Governing Body on finance, premises, staffing, health & safety and internal audit related issues.

The Pupil Engagement, Achievement and Policy Committee report to the Full Governing Body on teaching and learning, pupils' achievement and engagement and all policies not covered by the Finance, Estates and Staffing Committee.

The Full Governing Body meets on at least six occasions per year.

Terms of reference exist for each committee which will be reviewed annually.

The day to day running of the School is delegated to the Governing Body under the leadership of the Head Teacher, Mrs Samantha Clancy who is the Accounting Officer. Other members of the senior management team are Mr Jonathan Wall, Deputy Head Teacher and Mrs Linda Diaby, School Business Manager.

**CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

There are no connected organisations or related party relationships.

**RISK MANAGEMENT**

The Governors have assessed the major risks to which the Academy Trust is exposed, in particular those related to the operations and finances of the Academy Trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the Academy Trust's risk management process is undertaken on an annual basis and key controls in place include:

- Formal agenda for all committee activity
- Terms of reference for all governing body and delegated committees under the direction of the governing body
- Pecuniary interests of governors reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

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

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**Objectives and Activities**

**OBJECTS AND AIMS**

The Academy Trust's object is to advance for the public benefit education for children aged 9 to 13 by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Governors' vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this.

Students are offered a supportive, positive and dynamic learning environment that enables them to focus on their studies and extra-curricular activities. As a result, students achieve academic and technological excellence and extend their sporting, artistic and musical accomplishments.

The School fosters personal development that helps students to find meaning in their lives and respond with creativity and determination to the challenges that arise through the rapid pace of social change.

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

The School's objectives for the period ending 31 August 2015 were to raise the attainment level of all students through care and well-being, curriculum structure, teaching and learning, and leadership development.

Student roll – the total number on roll for the period 1 September 2014 to 31 August 2015 was 414 (as per May 2015 Pupil Census).

Admissions – the School admitted 121 in September 2014 (Pupil Admission Number 110).

Attendance – the pupil attendance level achieved for the period was 95.44% (as per May 2015 Pupil Census).

Permanent exclusions – the aim is to have permanent exclusions only in exceptional circumstances. The School had no permanent exclusions during the period from 1 September 2014 to 31 August 2015.

Staffing – the average number of (Full Time Equivalent) staff employed during the period 1 September 2014 to 31 August 2015 was 45.44.

**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 Academy Trust will promote for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

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

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**Group strategic report**

**Achievements and performance**

**ACHIEVEMENTS AND PERFORMANCE**

The academic examination results for the School are set out in the tables below.

1. Results showing year on year comparison for Key Stage 2 from 2013 to 2015:

<b>Level 4+</b>	<b>Fulbrook 2015 Results</b>	<b>Fulbrook 2014 Results</b>	<b>Fulbrook 2013 Results</b>	<b>2015 National Results</b>
English Reading	88%	88%	92%	88%
English Writing	(91%)	88%	89%	88%
Maths	91%	86%	95%	84%
<b>Level 5</b>	<b>Fulbrook 2015 Results</b>	<b>Fulbrook 2014 Results</b>	<b>Fulbrook 2013 Results</b>	<b>2015 National Results</b>
English Reading	57%	57%	56%	46%
English Writing	(43%)	26%	30%	39%
Maths	55%	48%	59%	39%

Figures in ( ) are teacher assessment results.

2015 Key Stage 2 Level 4+ results are generally above national figures, with Level 5+ above national figures across all three areas.

2. Results showing year on year comparisons for Key Stage 3 results 2012-2015 summary of Fulbrook's KS3 tests.

	<b>Reading 5+</b>	<b>Writing 5+</b>	<b>Reading 6+</b>	<b>Writing 6+</b>	<b>Reading 7</b>	<b>Writing 7</b>
<b>2015</b>	85%	86%	63%	54%	18%	19%
	<b>English 5+</b>		<b>English 6+</b>		<b>English 7</b>	
<b>2014</b>	90%		36%		6%	
<b>2013</b>	85%		67%		16%	
<b>2012</b>	95.5%		62%		17%	
	<b>Maths 5+</b>	<b>Maths 6+</b>	<b>Maths 7+</b>	<b>Science 5+</b>	<b>Science 6+</b>	<b>Science 7</b>
<b>2015</b>	94%	92%	54%	95%	85%	25%
<b>2014</b>	82%	67%	41%	(93%)	(60%)	(8%)
<b>2013</b>	85%	76%	36%	(96%)	(66%)	(5%)
<b>2012</b>	94%	76%	45%	90.5%	58.5%	23%

Key Stage 3 results are consistently high despite taking the tests a year early. These results are outstanding and indicate that Fulbrook pupils in Key Stage 3 make outstanding progress.

Year 8 pupils are typically 1 year ahead of their peers nationally.

Figures in ( ) are teacher assessment results.



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

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**KEY FINANCIAL PERFORMANCE INDICATORS**

The School was Graded 'Requires Improvement' by Ofsted in September 2014. Governors, Senior Leadership and all staff are actively working on an action plan to address this as well as reviewing the School Improvement Plan.

The Fischer Family Trust data from National Tests is the adopted performance measure and target monitoring tool and is used for Key Stage 2 with National Tests data being used for Key Stage 3 monitoring. The targets provided by Fischer Family Trust take into account past performance and the profile of student intake.

2015 Key Stage 2 Level 4+ results are generally above national figures, with Level 5+ above national figures across all three areas.

Key Stage 3 results are consistently high despite taking the tests a year early. These results are outstanding and indicate that Fulbrook pupils in Key Stage 3 make outstanding progress.

Year 8 pupils are typically 1 year ahead of their peers nationally.

Other key performance indicators include:

Pupil attendance levels are regularly at over 95%

Pupil numbers have risen steadily from 278 in 2007 to 407 in October 2015.

The School places importance on staff retention and development in order to maintain the highest standards of teaching and learning.

The Academy Trust considers staff costs as a percentage of government funding to be a key performance indicator. For 2015 this was 77.6% (2014 - 82.1%). The surplus/deficit for the period, excluding restricted fixed asset funds is reviewed as a percentage of income and the 2015 was 2.2% (2014 - 0.9%).

**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**

Fulbrook Academy has received the majority of its income from the Education Funding Agency (£2,007,833). The balance of income over expenditure (excluding restricted fixed asset funds) resulted in a surplus of 58,075.

The reserves will be utilised for continuous improvements and for projects for the repair and replacement of educational equipment and materials. Reserves will also be allocated to the repair, replacement and updating of the School building, its plant, equipment and contents.

A strategic capital plan is prepared and reviewed each year by the Governors in order that the reserves can be prioritised and spent according to the needs of the School.

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

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The principal financial management policies adopted in the year are:

- Conducting regular financial reviews of income and expenditure versus planned budgets at the Governors' Finance, Estates and Staffing Committee meetings;
- Consideration as to whether the financial income demonstrates a robust and stable position enabling the provision of sufficient quality resources to fulfil the School's educational obligations.

Reserves carried forward at 31 August 2015 will be utilised as part of the medium and long term plans of the School to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the site and facilities.

The Academy Trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard 17. A deficit has been recognised at 31 August 2015. Future contribution rates are adjusted in accordance with the three yearly actuary recommendations to reduce this deficit.

**RESERVES POLICY**

Unrestricted	72,619
Restricted:	
Fixed asset funds	3,023,312
GAG	10,170
Pension reserve	(361,000)
Other	24,483
	<u>2,769,584</u>

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 24. 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. The aim of the Governors is to increase this reserve to meet future working capital requirements.

**INVESTMENT POLICY AND PERFORMANCE**

After constructing and reporting forecasts versus budgets the School will consider whether it is prudent to deposit funds into an account where improved terms are offered. As improved terms are generally only offered where funds are invested for a fixed term, it may be prudent for the School not to invest funds in this manner.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Academy Trust has implemented a Risk Management Policy and has a Risk Register and an annual Risk Review Process in place. The objectives are to have in place measures of control and mitigation, where necessary, in order to manage identified risks.

The principal risks are the loss of reputation through falling standards, falling student rolls, financial sustainability and failure to safeguard the students of the School.

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

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Key controls in place are:

- An organisational structure with defined roles, responsibilities and authorisation levels;
- Terms of reference for the committees of the Governing Body;
- Financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- Formal written and published policies for employees;
- Vetting procedures as required by law for the protection of the vulnerable;
- Review of the employer and employee contribution rates for the Local Government Pension Scheme for non-teaching staff based on the actuarial valuations 3 yearly.

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

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 the Senior Leadership Team.

**Plans for future periods**

**FUTURE DEVELOPMENTS**

**School Development Plan Priorities 2015-16**

**Key Priority 1:** Improve the quality of teaching (with specific focus on feedback, differentiation and questioning) so that it is consistently good.

**Key Priority 2:** Improve the impact all school leaders have, by clearly defining roles and involving them more in the process of monitoring and evaluating the quality of teaching and learning.

**Key Priority 3:** Monitor more closely, and set targets for, the achievement of specific groups of pupils, including disadvantaged pupils and the most able.

**Key Priority 4:** Develop the curriculum and assessment systems, securing assessment without levels and ensuring that the new National Curriculum is implemented across all four year groups.

**Key Priority 5:** Develop the 'Fulbrook Way' by embedding Values-based education, refining our behaviour policy and replacing homework assignments with a new homework policy.

These are all priorities which will enable us to be 'Ofsted ready' and correspond with the four areas on which inspectors will make their judgements:

- Effectiveness of leadership and management;
- Quality of teaching, learning and assessment;
- Personal development, behaviour and welfare;
- Outcomes for children and other learners.

N.B. We shall be developing a new School Strategic Plan for 2016 and beyond, with a focus on the future of Fulbrook and how it will best serve the locality as 'the school of choice', its viability, the development of the site (including the building of the MUGA), community links, training and apprenticeships.

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

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Objectives for the 2015-2016 year include:

- By 2016 Fulbrook will be a high performing school for pupils' achievement and progress. Their literacy and numeracy skills will maximise the choices they have in later life and enable them to play a full role as a citizen.
- Pupils will be engaged in school life and enjoy school. They will participate in extra-curricular activities such as sport, the arts, charitable activities and educational visits. Our commitment to providing a positive learning experience will be exemplary.
- We aim to have secured effective partnerships with businesses, Higher Education Institutions, local councils, the local community and schools.
- The school will be a viable financially robust school. It will be attracting additional income to the school beyond the DfE pupil based income.

Plans for the 2015-2016 year include:

- Making sure that marking is always effective in helping pupils improve their work.
- Moving pupils on to harder work as soon as they are ready.
- Using effective questions which require pupils to think hard.
- Making sure that the progress of all groups of pupils is regularly checked in appropriate detail so that leaders can quickly tackle any weaknesses.
- Making sure that the quality of teaching for all groups of pupils is regularly checked in appropriate detail so that leaders can tackle any weaknesses.
- Making sure that the School Improvement Plan contains clear targets for improved teaching and achievements at regular points throughout the year.
- Making sure that targets which are set for teachers help them improve their work and are always precise in stating how teaching needs to improve.
- Improving the achievement of pupils in Reading and Writing, in terms of expected progress and exceeding expected progress, so that they compare favourably with the national rates of progress.
- Improving the achievement of pupils in Maths, in terms of expected progress and exceeding expected progress, so that they compare favourably with the national rates of progress.
- Improving the outcome of pupils eligible for Pupil Premium (PP) so that the gap between PP and non-PP pupils narrows.
- Ensure every pupil has the opportunity to participate in extra-curricular activities.
- Every pupil will participate in a range of visits, theme days and experience visitors to the school.
- Pupils are given more opportunities to be consulted and heard.
- Develop and promote behaviours and attitudes that will help children to lead happy and rewarding lives.
- Improve pupils' readiness to learn.
- Develop business links.
- Contribute to training two new teachers a year.
- Develop links with local government.
- Strengthen links with local schools.
- Improve the effectiveness of the Governing Body.
- Be prepared to meet parental demands to accommodate pupils wishing to attend the school.
- Increase the levels of income outside of Central Government funding.
- Ensure we achieve Best Value for Money.
- Secure funding for an all-weather football pitch.

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

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**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

A number of senior staff and Governors act as Trustees of the Fulbrook Academy School Fund, a charity registered with the Charity Commission, registration number 1078786. This charity undertakes a number of fundraising events for specific educational projects, and manages donations in respect of educational field trips. As the School Fund is under the control of Governors and staff of the Academy Trust's financial statements. It has been agreed by the Trustees to close the Fulbrook Academy School Fund and transfer the balances and activities to Fulbrook Academy as this was already being consolidated with the Academy accounts.

**DISCLOSURE OF INFORMATION TO AUDITOR**

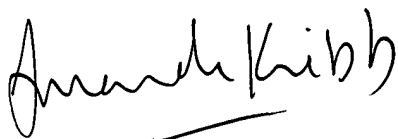
In so far as the trustees are aware:

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

**AUDITOR**

MHA MacIntyre Hudson is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report, incorporating the Group strategic report, was approved by order of the board of trustees, as the company directors, on 09/12/2015 and signed on the board's behalf by:



Amanda Knibb  
Chair of Trustees

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**FULBROOK ACADEMY**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Fulbrook Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 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
Lindsay Smith	9	9
Vincent Mulligan	9	9
Michael Kitt	6	9
Angela Evans	8	9
Gary Botsford	1	1
Fiona Chapman	5	9
Nik Hartley	4	9
Sally Hartley	3	9
Rosemary Robson-Green	9	9
Fiona Bishop	8	9
Stephen Cardwell, Principal and Accounting Officer	9	9
Kelly Dancer	3	4
Amanda Knibb	9	9
Vanessa Harris	8	9
Paul Farrant	8	8
Clair McDowell	3	3
Toby Barrett	3	3
Naysan Firoozmand	1	2

There are currently two vacancies in the Governing Body, one appointed governor and one Local Authority nominated governor. A new skills audit will lead to an appointment of the former and the Local Authority have been contacted about their nominated governor.

**GOVERNANCE STATEMENT (continued)**

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**Governance reviews:**

Following the September 2014 Ofsted inspection, a governance self-evaluation was completed followed by an external review of governance in January 2015, as defined by the National College for Teaching and Leadership. In addition to many areas of strength amongst the governing body, four areas were highlighted for development:

- Develop further the understanding governors have of the progress made by all groups of pupils, ensure expectations are high enough and begin to measure the actual impact of actions taken.
- Ensure that minutes capture sufficiently the challenge and support provided by governors.
- Evaluate more effectively and rigorously the impact of 'catch up funding', extra sports funding and pupil premium funding.
- Ensure that recent developments in appraisal are carried out effectively and lead to all groups of pupils making better progress.

The Finance, Estates and Staffing Committee is a sub-committee of the main board of trustees. Its purpose is to monitor, review and challenge the School's finances, health and safety, staffing, premises and community links. The Health & Safety policy has been updated, a new Pensions Policy has been issued for the Local Government Pension Scheme, new Financial Procedures Manual has been developed and the Risk Register reviewed.

**Attendance at meetings in the year was as follows:**

Governor	Meetings attended	Out of a possible
Vincent Mulligan (Committee Chair)	6	6
Lindsay Smith	4	6
Gary Botsford (resigned 2 October 2014)	0	0
Fiona Chapman	0	6
Nik Hartley	4	6
Rosemary Robson-Green	5	6
Stephen Cardwell (Principal and Accounting Officer) (retired 31 August 2015)	4	6
Paul Farrant (appointed 22 October 2014)	4	5
Toby Barrett (appointed 4 February 2015)	3	4

The Pupil Engagement, Achievement and Policy Committee have continued to review policies on a rolling programme, reviewed subjects including PHSCE and SEN covering assessment and results, also on a rolling programme.

**Attendance at meetings in the year was as follows:**

Governor	Meetings attended	Out of a possible
Fiona Bishop	5	5
Lindsay Smith	5	5
Sally Hartley	0	5
Michael Kitt	0	5
Stephen Cardwell (Principal and Accounting Officer)	5	5
Vanessa Harris	4	5
Amanda Knibb	5	5
Kelly Glass (resigned 4 February 2015)	0	5
Clair McDowell (Appointed 20 May 2015)	0	0
Naysan Firoozmand (appointed 20 May 2015)	0	0

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

As accounting officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Sourcing and securing a modular building donated by a neighbouring Local Authority;
- Obtaining 3 quotes for the transportation and installation of the modular building;
- Utilising the expertise of a specialist education funding and construction consultant to manage the tender process for our large roofing project;
- Reviewing methods of communication to reduce the levels of printed material.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Fulbrook Academy for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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, Estates and Staffing 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.



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**FULBROOK ACADEMY**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT (continued)**

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The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr Paul Farrant (The Reviewer), a Governor, to carry out a programme of internal checks and have continued with the appointment of Mrs Charlotte Lockley as Responsible Officer (RO).

The combined roles of The Reviewer and The Responsible Officer 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:

- testing of payroll systems and transactions;
- testing of purchase order through to payment systems;
- testing of sales ledger systems and transactions;
- testing of the bank reconciliations and bank and petty cash control accounts;
- testing of the separate School Fund Account.

On a termly basis, the Reviewer reports to the Finance, Estates and Staffing Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

There were no material control issues arising as a result of the Responsible Officer's work during the period 1 September 2014 to 31 August 2015.

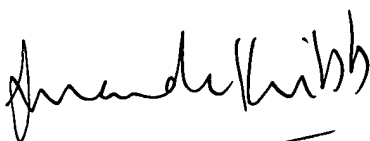
**REVIEW OF EFFECTIVENESS**

As accounting officer, the Principal 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 Senior Leadership Team 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, Estates and Staffing Committee 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 09/12/2015 and signed on its behalf, by:



Amanda Knibb  
Chair of Trustees



Samantha Clancy  
Accounting Officer

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**FULBROOK ACADEMY**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Fulbrook Academy 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy trust board of trustees 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 (2014).

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.



Samantha Clancy  
Accounting Officer

Date: 09/12/2015

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**FULBROOK ACADEMY**  
(A company limited by guarantee)

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

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

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

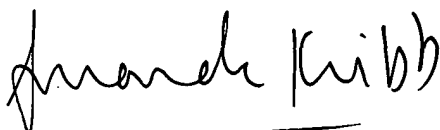
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group 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 group'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 on 09/12/2015 and signed on its behalf by:



Amanda Knibb  
Chair of Trustees

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**FULBROOK ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULBROOK ACADEMY**

---

We have audited the financial statements of Fulbrook Academy for the year ended 31 August 2015 which comprise the group Statement of financial activities, the group and academy trust Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' responsibilities statement, the Trustees (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.

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report to you in accordance with those Acts. 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 group's and the parent academy trust'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 group's and the parent charitable academy trust's affairs as at 31 August 2015 and of the group's 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 Act 2011 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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**FULBROOK ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULBROOK ACADEMY**

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**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Group 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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable academy trust has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable academy trust 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.

*MHA MacIntyre Hudson*

Rebecca Hughes BSc(Hons) FCCA (Senior statutory auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

Date:

*17 December 2015*

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**FULBROOK ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FULBROOK ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 7 July 2015 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 Fulbrook Academy 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 Fulbrook Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Fulbrook Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fulbrook Academy and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF FULBROOK ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Fulbrook Academy's funding agreement with the Secretary of State for Education dated 1 March 2012, 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 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.

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**FULBROOK ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FULBROOK ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

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The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- 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 payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;
- and making appropriate enquiries of the Accounting Officer.

**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 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MHA MacIntyre Hudson*

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

Date: *17 December 2015*

**FULBROOK ACADEMY**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	3	-	132,873	7,942	140,815	151,854
Activities for generating funds	4	32,663	-	-	32,663	29,190
Investment income	5	235	-	-	235	233
Incoming resources from charitable activities:	6					
Funding for the academy trust's educational operations		-	1,893,514	205,344	2,098,858	1,895,382
<b>TOTAL INCOMING RESOURCES</b>		<b>32,898</b>	<b>2,026,387</b>	<b>213,286</b>	<b>2,272,571</b>	<b>2,076,659</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Costs of generating voluntary income		-	126,326	-	126,326	146,041
Fundraising trading		12,500	-	-	12,500	12,264
Charitable activities:	8					
Academy trust educational operations		-	1,854,884	171,441	2,026,325	1,943,804
Governance costs	9	-	7,500	-	7,500	7,200
<b>TOTAL RESOURCES EXPENDED</b>	7	<b>12,500</b>	<b>1,988,710</b>	<b>171,441</b>	<b>2,172,651</b>	<b>2,109,309</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>20,398</b>	<b>37,677</b>	<b>41,845</b>	<b>99,920</b>	<b>(32,650)</b>



**FULBROOK ACADEMY**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	17	-	(45,523)	45,523	-	-
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>		<b>20,398</b>	<b>(7,846)</b>	<b>87,368</b>	<b>99,920</b>	<b>(32,650)</b>
Actuarial gains and losses on defined benefit pension schemes	24	-	(30,000)	-	(30,000)	(74,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>20,398</b>	<b>(37,846)</b>	<b>87,368</b>	<b>69,920</b>	<b>(106,650)</b>
Total funds at 1 September 2014	17	52,221	(288,501)	2,935,944	2,699,664	2,806,314
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>	17	<b>72,619</b>	<b>(326,347)</b>	<b>3,023,312</b>	<b>2,769,584</b>	<b>2,699,664</b>

All activities relate to continuing operations.

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

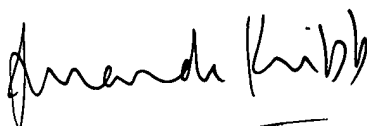
The notes on pages 27 to 46 form part of these financial statements.

**FULBROOK ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07695419**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	14		2,924,834		2,916,163
<b>CURRENT ASSETS</b>					
Debtors	15	106,138		124,903	
Cash at bank and in hand		278,370		114,703	
		<u>384,508</u>		<u>239,606</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	<u>(178,758)</u>		<u>(146,105)</u>	
<b>NET CURRENT ASSETS</b>			205,750		93,501
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,130,584		3,009,664
Defined benefit pension scheme liability	24		<u>(361,000)</u>		<u>(310,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u>2,769,584</u>		<u>2,699,664</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	17	34,653		21,499	
Restricted fixed asset funds	17	3,023,312		2,935,944	
Restricted funds excluding pension liability		<u>3,057,965</u>		<u>2,957,443</u>	
Pension reserve		<u>(361,000)</u>		<u>(310,000)</u>	
Total restricted funds			2,696,965		2,647,443
Unrestricted funds	17		<u>72,619</u>		<u>52,221</u>
<b>TOTAL FUNDS</b>			<u>2,769,584</u>		<u>2,699,664</u>

The financial statements were approved by the Trustees, and authorised for issue, on  
09/12/2015 and are signed on their behalf, by:



Amanda Knibb  
Chair of Trustees



Vincent Mulligan  
Trustee

The notes on pages 27 to 46 form part of these financial statements.

**FULBROOK ACADEMY**  
(A company limited by guarantee)  
REGISTERED NUMBER: 07695419

**ACADEMY TRUST BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	14		2,924,834		2,916,163
<b>CURRENT ASSETS</b>					
Debtors	15	98,927		121,948	
Cash at bank and in hand		249,820		99,204	
		<u>348,747</u>		<u>221,152</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	<u>(167,441)</u>		<u>(145,195)</u>	
<b>NET CURRENT ASSETS</b>			181,306		75,957
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,106,140		2,992,120
Defined benefit pension scheme liability	24		<u>(361,000)</u>		<u>(310,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u>2,745,140</u>		<u>2,682,120</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	17	10,207		(15,044)	
Restricted fixed asset funds	17	3,023,314		2,955,068	
Restricted funds excluding pension asset		<u>3,033,521</u>		<u>2,940,024</u>	
Pension reserve		<u>(361,000)</u>		<u>(310,000)</u>	
Total restricted funds			2,672,521		2,630,024
Unrestricted funds	17		<u>72,619</u>		<u>52,096</u>
<b>TOTAL FUNDS</b>			<u>2,745,140</u>		<u>2,682,120</u>

The financial statements were approved by the Trustees, and authorised for issue, on 09/12/2015 and are signed on their behalf, by:



Amanda Knibb  
Chair of Trustees



Vincent Mulligan  
Trustee

The notes on pages 27 to 46 form part of these financial statements.

**FULBROOK ACADEMY**  
**(A company limited by guarantee)**

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	<b>Note</b>	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
Net cash flow from operating activities	20	<b>343,544</b>	168,214
Returns on investments and servicing of finance	21	<b>235</b>	233
Capital expenditure and financial investment	21	<b>(180,112)</b>	(108,767)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>163,667</b>	<b>59,680</b>

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

		<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
Increase in cash in the year		<b>163,667</b>	59,680
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	22	<b>163,667</b>	59,680
Net funds at 1 September 2014		<b>114,703</b>	55,023
<b>NET FUNDS AT 31 AUGUST 2015</b>		<b>278,370</b>	<b>114,703</b>

The notes on pages 27 to 46 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the Financial Statements of the academy trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy trust alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

**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 trust 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.

**1.3 Incoming resources**

All incoming resources are included in the Statement of Financial Activities 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.

**Donated services and gifts in kind**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES (continued)**

**Donations**

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

**Other income**

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

**1.4 Resources expended**

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

**Costs of generating funds**

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

**Charitable activities**

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

**Governance costs**

Governance costs 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.

**1.5 Basis of consolidation**

The financial statements consolidate the accounts of Fulbrook Academy and all of its subsidiary undertaking ('subsidiary').

The academy trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES (continued)**

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

Leasehold property	- 2% straight line
Plant and machinery	- 25% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 25% straight line

**1.7 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.8 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.

**1.9 Pensions**

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**1. ACCOUNTING POLICIES (continued)**

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 the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**1.10 School fund**

The school fund is under the control of the academy trust by virtue of common governance. Its results for the year and its assets and liabilities at 31 August 2015 have therefore been consolidated into these financial statements.

**1.11 Fund accounting**

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

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

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

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

**2. GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

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



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**3. VOLUNTARY INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	-	22,635	22,635	31,924
School funds	-	118,180	118,180	119,930
Voluntary income	-	140,815	140,815	151,854

**4. FUNDRAISING INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	32,663	-	32,663	25,950
Other income	-	-	-	3,240
	32,663	-	32,663	29,190

**5. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	235	-	235	233

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**6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA grants</b>				
General annual grant (GAG)	-	1,677,614	1,677,614	1,598,881
Rates and insurance	-	15,414	15,414	25,238
Pupil premium	-	100,291	100,291	64,580
Other EFA grants	-	9,170	9,170	9,105
Capital grants	-	205,344	205,344	93,702
	-	2,007,833	2,007,833	1,791,506
<b>Other government grants</b>				
Special educational needs	-	88,244	88,244	102,861
	-	88,244	88,244	102,861
<b>Other funding</b>				
Other income	-	2,781	2,781	1,015
	-	2,781	2,781	1,015
	-	2,098,858	2,098,858	1,895,382

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. RESOURCES EXPENDED**

	Staff costs	Non Pay	Expenditure	Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
		£	£		
Costs of generating voluntary income	-	-	126,326	126,326	146,041
Fundraising expenses	4,000	-	8,500	12,500	12,264
<b>Costs of generating funds</b>	<b>4,000</b>	<b>-</b>	<b>134,826</b>	<b>138,826</b>	<b>158,305</b>
Direct costs	1,376,947	-	86,575	1,463,522	1,399,619
Support costs	244,591	228,448	89,764	562,803	544,185
<b>Academy's educational operations</b>	<b>1,621,538</b>	<b>228,448</b>	<b>176,339</b>	<b>2,026,325</b>	<b>1,943,804</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>7,500</b>	<b>7,500</b>	<b>7,200</b>
	<b>1,625,538</b>	<b>228,448</b>	<b>318,665</b>	<b>2,172,651</b>	<b>2,109,309</b>

**FULBROOK ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**8. CHARITABLE ACTIVITIES**

	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	1,125,854	1,080,159
National insurance	82,016	77,738
Pension cost	169,077	162,970
Educational supplies	60,273	58,005
Staff development	19,047	18,826
Recruitment costs	7,255	1,921
	<u>1,463,522</u>	<u>1,399,619</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	182,407	187,464
National insurance	8,090	9,308
Pension cost	54,094	39,220
Depreciation	171,441	155,897
FRS17 pension cost	1,000	4,000
Insurance	21,881	22,535
Technology costs	24,890	12,907
Maintenance of premises and equipment	25,686	24,097
Cleaning	2,906	2,167
Rent and rates	10,183	9,693
Light and heat	18,234	17,861
Security and transport	568	74
Catering	9,064	20,991
Office overheads	6,159	8,148
Legal and professional fees	25,194	24,614
Loss on disposal of fixed assets	-	4,170
Other costs	1,006	1,039
	<u>562,803</u>	<u>544,185</u>
	<u><u>2,026,325</u></u>	<u><u>1,943,804</u></u>

**9. GOVERNANCE COSTS**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Governance Auditors' remuneration	-	7,500	7,500	7,200
	<u>-</u>	<u>7,500</u>	<u>7,500</u>	<u>7,200</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**10. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charitable group	171,441	155,897
Auditor's remuneration	7,500	7,200
Operating lease rentals - other	3,608	3,608
	<u>182,549</u>	<u>166,705</u>

**11. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,307,892	1,258,233
Social security costs	90,284	87,046
Other pension costs (Note 24)	223,171	202,190
	<u>1,621,347</u>	<u>1,547,469</u>
Supply teacher costs	4,191	9,390
	<u>1,625,538</u>	<u>1,556,859</u>

**b. Staff numbers**

The average number of persons employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	21	22
Administration and support	19	16
Management	4	4
	<u>44</u>	<u>42</u>

**c. Higher paid staff**

The number of employees whose emoluments exceeded £60,000, fell within the following bands:

	2015 No.	2014 No.
In the band £70,001 - £80,000	1	1

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**11. STAFF (continued)**

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these members of staff amounted to £10,676 (2014 - £10,577).

**12. 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 principal 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:

	2015 £	2014 £
<b>S Cardwell (Headteacher and trustee)</b>		
Remuneration	70,000 - 75,000	70,000 - 75,000
Employer's pension contributions	10,000 - 15,000	10,000 - 15,000
<b>F Bishop (Staff trustee)</b>		
Remuneration	10,000 - 15,000	15,000 - 20,000
Employer's pension contributions	0 - 5,000	0 - 5,000
<b>S Thomas (Staff trustee)</b>		
Remuneration	Nil	10,000 - 15,000
Employer's pension contributions	Nil	0 - 5,000
<b>K Dancer (Staff trustee)</b>		
Remuneration	10,000 - 15,000	5,000 - 10,000
Employer's pension contributions	0 - 5,000	0 - 5,000
<b>C McDowell (Staff trustee)</b>		
Remuneration	10,000 - 15,000	Nil
Employer's pension contributions	0 - 5,000	Nil

During the year, no Trustees received any reimbursement of expenses (2014 - £nil).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £193 (2014 - £187). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. TANGIBLE FIXED ASSETS**

<b>Group and Academy trust</b>	<b>Leasehold property £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 September 2014	3,115,914	29,036	54,722	102,387	3,302,059
Additions	158,692	10,139	6,832	4,449	180,112
At 31 August 2015	3,274,606	39,175	61,554	106,836	3,482,171
<b>Depreciation</b>					
At 1 September 2014	296,022	6,052	29,386	54,436	385,896
Charge for the year	128,436	8,997	15,066	18,942	171,441
At 31 August 2015	424,458	15,049	44,452	73,378	557,337
<b>Net book value</b>					
At 31 August 2015	2,850,148	24,126	17,102	33,458	2,924,834
At 31 August 2014	2,819,892	22,984	25,336	47,951	2,916,163

**15. DEBTORS**

	<b>Group</b>		<b>Academy trust</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	5,890	6,325	5,890	6,325
VAT recoverable	16,862	10,863	16,862	10,863
Prepayments and accrued income	83,386	107,715	76,175	104,760
	<b>106,138</b>	<b>124,903</b>	<b>98,927</b>	<b>121,948</b>

**16. CREDITORS:  
Amounts falling due within one year**

	<b>Group</b>		<b>Academy trust</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	67,556	30,512	67,556	30,512
Other taxation and social security	26,522	27,145	26,522	27,145
Other creditors	-	311	-	311
Accruals and deferred income	84,680	88,137	73,363	87,227
	<b>178,758</b>	<b>146,105</b>	<b>167,441</b>	<b>145,195</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**16. CREDITORS:**  
**Amounts falling due within one year (continued)**

	<u>Group</u>	<u>Academy trust</u>
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2014	<b>15,116</b>	<b>14,206</b>
Resources deferred during the year	<b>21,892</b>	<b>15,989</b>
Amounts released from previous years	<b>(15,116)</b>	<b>(14,206)</b>
Deferred income at 31 August 2015	<u><b>21,892</b></u>	<u><b>15,989</b></u>

Deferred income relates primarily to EFA funding.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**17. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	52,221	32,898	(12,500)	-	-	72,619
<b>Restricted funds</b>						
General annual grant (GAG)	4,015	1,677,614	(1,625,936)	(45,523)	-	10,170
Pupil premium	-	100,290	(100,290)	-	-	-
Other EFA grants	44	24,584	(24,133)	-	-	495
Local authority grants	-	88,244	(88,244)	-	-	-
Miscellaneous restricted	(160)	2,781	(2,781)	-	-	(160)
Restricted donations	56	14,694	(15,046)	-	-	(296)
School fund	17,544	118,180	(111,280)	-	-	24,444
Pension reserve	(310,000)	-	(21,000)	-	(30,000)	(361,000)
	(288,501)	2,026,387	(1,988,710)	(45,523)	(30,000)	(326,347)
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	318,888	205,344	(18,569)	(13,458)	-	492,205
Capital expenditure from GAG	32,742	-	(16,749)	52,250	-	68,243
Capital expenditure from other funds	16,074	7,942	(5,843)	6,731	-	24,904
Transfer from LA	2,568,240	-	(130,280)	-	-	2,437,960
	2,935,944	213,286	(171,441)	45,523	-	3,023,312
Total restricted funds	2,647,443	2,239,673	(2,160,151)	-	(30,000)	2,696,965
Total of funds	2,699,664	2,272,571	(2,172,651)	-	(30,000)	2,769,584

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the year.

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

Restricted general funds will be used for educational purposes in line with the Academy's objects and its funding agreement with the EFA.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**17. STATEMENT OF FUNDS (continued)**

Restricted fixed asset funds amounting to £2,924,834 will be reserved against future depreciation charges, and the remainder relates to unspent capital grants which will be utilised to enhance the Academy's facilities.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	2,924,834	2,924,834	2,916,163
Current assets	72,619	213,411	98,478	384,508	239,606
Creditors due within one year	-	(178,758)	-	(178,758)	(146,105)
Pension scheme liability	-	(361,000)	-	(361,000)	(310,000)
	<u>72,619</u>	<u>(326,347)</u>	<u>3,023,312</u>	<u>2,769,584</u>	<u>2,699,664</u>

**19. 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.

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Net incoming resources before transfers	99,920	(32,650)
Returns on investments and servicing of finance	(235)	(233)
Depreciation of tangible fixed assets	171,441	155,897
Deficit on disposal of tangible fixed assets	-	4,170
Decrease/(increase) in debtors	18,765	(63,489)
Increase in creditors	32,653	98,519
FRS 17 adjustments	21,000	6,000
<b>Net cash inflow from operations</b>	<u>343,544</u>	<u>168,214</u>

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**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	235	233
	<u>235</u>	<u>233</u>
	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(180,112)	(109,847)
Sale of tangible fixed assets	-	1,080
	<u>(180,112)</u>	<u>(108,767)</u>
<b>Net cash outflow capital expenditure</b>	<u>(180,112)</u>	<u>(108,767)</u>

**22. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	31 August 2015 £
Cash at bank and in hand:	114,703	163,667	278,370
	<u>114,703</u>	<u>163,667</u>	<u>278,370</u>
<b>Net funds</b>	<u>114,703</u>	<u>163,667</u>	<u>278,370</u>

**23. CAPITAL COMMITMENTS**

At 31 August 2015 the group and academy trust had capital commitments as follows:

	<b>Group</b>		<b>Academy trust</b>	
	2015 £	2014 £	2015 £	2014 £
Contracted for but not provided in these financial statements	70,470	-	70,470	-
	<u>70,470</u>	<u>-</u>	<u>70,470</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**24. PENSION COMMITMENTS**

The group'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 Bedford Borough Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**24. PENSION COMMITMENTS (continued)**

The pension costs paid to TPS in the period amounted to £122,772 (2014: £119,045).

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 group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The group 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 2015 was £103,000, of which employer's contributions totalled £81,000 and employees' contributions totalled £22,000. The agreed contribution rates for future years are 22.8% 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 group's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Expected return at 31 August 2015 %</b>	<b>Fair value at 31 August 2015 £</b>	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £</b>
Equities	3.70	453,000	6.30	387,000
Bonds	3.70	122,000	3.30	107,000
Property	3.70	74,000	4.50	50,000
Cash	3.70	27,000	3.30	17,000
Total market value of assets		<b>676,000</b>		561,000
Present value of scheme liabilities		<b>(1,037,000)</b>		(871,000)
Deficit in the scheme		<b>(361,000)</b>		(310,000)

The amounts recognised in the Balance sheet are as follows:

	<b>2015 £</b>	<b>2014 £</b>
Present value of funded obligations	<b>(1,037,000)</b>	(871,000)
Fair value of scheme assets	<b>676,000</b>	561,000
Net liability	<b>(361,000)</b>	(310,000)

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FOR THE YEAR ENDED 31 AUGUST 2015**

**24. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Interest on obligation	(34,000)	(32,000)
Expected return on scheme assets	33,000	28,000
Current service cost	(101,000)	(84,000)
<b>Total</b>	<b>(102,000)</b>	<b>(88,000)</b>
 Actual return on scheme assets	 14,000	 53,000

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

	2015 £	2014 £
Opening defined benefit obligation	871,000	650,000
Interest cost	34,000	32,000
Contributions by scheme participants	22,000	21,000
Actuarial losses	10,000	85,000
Benefits paid	(1,000)	(1,000)
Current service cost	101,000	84,000
<b>Closing defined benefit obligation</b>	<b>1,037,000</b>	<b>871,000</b>

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

	2015 £	2014 £
Opening fair value of scheme assets	561,000	420,000
Expected return on assets	33,000	28,000
Actuarial gains and (losses)	(20,000)	11,000
Contributions by employer	81,000	82,000
Contributions by employees	22,000	21,000
Benefits paid	(1,000)	(1,000)
<b>Closing fair value of scheme assets</b>	<b>676,000</b>	<b>561,000</b>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of Financial Activities was £117,000 losses (2014 - £87,000 losses).

The group expects to contribute £80,000 to its Defined benefit pension scheme in 2016.

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**24. PENSION COMMITMENTS (continued)**

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

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.40 %
Rate of increase in salaries	3.50 %	3.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %

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

	2015	2014
Retiring today		
Males	22.4	22.4
Females	24.3	24.3
Retiring in 20 years		
Males	24.4	24.4
Females	26.8	26.8

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(1,037,000)	(871,000)	(650,000)	(530,000)
Scheme assets	676,000	561,000	420,000	304,000
Deficit	<u>(361,000)</u>	<u>(310,000)</u>	<u>(230,000)</u>	<u>(226,000)</u>
Experience adjustments on scheme liabilities	-	(42,000)	(16,000)	-
Experience adjustments on scheme assets	<u>(20,000)</u>	<u>11,000</u>	<u>19,000</u>	<u>(6,000)</u>

**25. OPERATING LEASE COMMITMENTS**

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

	2015 £	2014 £
Group and Academy trust		
Expiry date:		
Between 2 and 5 years	<u>902</u>	<u>3,068</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. 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 trustees 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 transactions took place in the period of account.

**27. COMPANY LIMITED BY GUARANTEE**

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