

Registered number: 07724780

MONTACUTE SCHOOL
(A company limited by guarantee)

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



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

Members

Sidney Carter
Stephen Butterworth
Pamela Henderson

Trustees

Stephen Butterworth¹
Sidney Carter, Co Chair of Trustees (appointed 19 November 2015 as Co
Chair)
Alison Dalton, Co Chair of Trustees (appointed 19 November 2015)
Linda Creswell
Pamela Henderson, Chair of Trustees (Resigned as chair 19 November 2015)¹
Virginia Jewell¹
Jean Joyce
Karon Nougher¹
Marcia Osborn
Jill Owen¹
Rosemary Wallis¹
Nicola Keynes (appointed 19 May 2015)
Avril Jackson (appointed 19 May 2015)
Jane Shaw (appointed 19 May 2015)

¹ Members of the finance and audit committee

Company registered number

07724780

Principal and registered office

3 Canford Heath Road, Poole, Dorset, BH17 9NG

Senior management team

Jill Owen, Head Teacher
Paula Kirk, Deputy Head (Appointed 10.11.14)
Ruth Payne, Assistant Head Pupil Progress
Sarah Stobbs, Assistant Head SENCO (Resigned 30.04.15)
Marcia Osborn, School Leader in Education
Rachel Holland, Leadership Support Coordinator
Tracey Smith, Parent Partner/Safeguarding

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

Administrative details (continued)

Independent auditors

Clifford Fry & Co LLP, St Mary's House, Netherhampton, Salisbury, Wiltshire, SP2 8PU

Bankers

Lloyds Bank plc, Broadstone, Dorset, BH18 8DL

Solicitors

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a special school for pupils aged 2 to 19 serving a catchment area in Poole, Bournemouth and East Dorset. It has a pupil capacity of 75 and had a roll of 68 in the school census on 15th January 2015.

Structure, governance and management

• **CONSTITUTION**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Montacute School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Montacute 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**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

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

The Members may appoint one Governor save that no more than one third of the total number of individuals appointed as Governors shall be employees of the Academy Trust (including the Headteacher).

The Headteacher shall be treated for all purposes as being an ex officio Governor.

Parent Governor(s) shall be elected by parents of registered pupils at the Special Academy. A Parent Governor must be a parent of a pupil at the Special Academy at the time when he is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Special Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

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

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Special Academy.

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

During the period some courses carried out in the Academy were attended by some Trustees as well as seminar and induction documentation on offer through the Local Government Governors Support framework to which the Academy is a subscriber, or external providers.

• **ORGANISATIONAL STRUCTURE**

The Management Structure in place for the period consisted of a Headteacher, Deputy Headteacher, and two Assistant Heads until Easter and we now have one Assistant Head. The Leadership team also included the Director of Inclusion, Leadership Support Officer, and Teacher responsible for Behaviour Support. The aim of the structure was to increase accountability and to encourage involvement in decision making at all levels. The Headteacher of the Academy is the Accounting Officer.

The Leadership Team of the School is responsible for delivering the approved strategic actions of the middle term plan by the Trustees while setting up and managing the annual development priorities.

• **CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

Montacute School is represented in the Poole Teaching School Alliance by our Senior Leader in Education who also runs our Outreach Service funded by Poole Local Authority.

Objectives and Activities

• **OBJECTS AND AIMS**

The Trust was set up in 2011 to advance, for public benefit, education in the UK by establishing, maintaining and developing the Montacute Special School Academy. The Academy offers a broad, balanced and relevant curriculum, designed and delivered around the specific needs of the children and young people who attend. The Academy also supports the needs of families where possible and congruent with the education and wellbeing of the children and young people on roll.

• **OBJECTIVES, STRATEGIES AND ACTIVITIES**

The main objectives for the Trust for the period ended 31st August 2015 was to promote the highest possible standards of education and care for the children on roll.

At the same time, the Trust aimed to further develop the organizations capacity to respond to changing demands from external agendas, and to changing needs within.

It sought to meet its objectives through reviewing and revising the staffing structure and devising recruitment and training opportunities accordingly (ie developing its workforce and ensuring

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

succession planning), and through revising policies and procedures to provide clarity and consistency in all operational matters. A review and restructuring of the governing body for September 2015 also supported this objective.

The appointment of a new Deputy Headteacher on 10th November 2014 has proved an excellent appointment and the partnership of Headteacher and Deputy Headteacher is working well towards new goals for change to improve outcomes for pupils. A new team of Middle Leaders is in place to lead the curriculum within their departments. During the year, the school changed its staffing structure to move from two assistant heads to one, and to introduce heads of department into the school. Successful recruitment has enabled a mix of experienced and new practitioners to join the school.

The environment nationally, within which the school operates, is changing rapidly and as evidenced in the OFSTED Report from our Inspection in March 2015, the Trust has work to do to ensure that standards improve further. The leadership of the school has this year formulated new plans to achieve these improvements, and a visit by HMI in October indicated that actions are already having a positive impact for pupils. The Trustees are revising their procedures to ensure they are monitoring standards effectively.

The Trust has needed to ensure the safety and wellbeing of pupils throughout the final phases of the new build, and the transition phase of moving from one building to the other and acquiring the newly landscaped site. In April 2015 the Trust took over the ownership of the new building which now houses Montacute School, while the grounds continued to be developed. The space and new facilities in the building have enhanced the working environment for both staff and pupils, although access to it and use of outside areas has been limited. The school has sustained a good relationship with the builders. Safety has been well managed with no incidents. The new swimming pool (within the school) was funded jointly by the Trust and the Borough of Poole, to benefit pupils and the local community. The Trust has needed to put arrangements in place to run the pool.

A new school brochure has been developed, and a new website is almost complete. The re-organization of classes on the basis of different learning styles and personalized pathways is felt to have successfully supported learning and has been continued this year. In Lower and Middle School, over 80% of pupils were seen to have made at least good progress in English and Maths (see schools pupil progress report for more information).

Successful fundraising has enabled the new school to be equipped with overhead hoists, new technology, and a sensory room and soft play room. The new building has been celebrated on local television and in the local press, which together with a vibrant presence on "Facebook" has positively raised our profile in our local community.

● **PUBLIC BENEFIT**

The Trust has considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by the Trust is the provision of a high quality of education to its students. Additionally, since the opening of the swimming pool, which is part of the new school building, the school welcomes users of the pool onto its site every day.

Montacute Academy currently educates up to 75 children, all of whom have Complex Learning Difficulties and Disabilities. The school has a good working atmosphere, and all in school are committed to this as the foundation for the learning and pastoral partnership. The school is family-

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

friendly within a context of hard and focused work, dedicated to meeting the students' and parents' needs.

At Montacute, pupils are educated in a very inclusive way, both within their own school and using opportunities created in partner schools. Our host local authority, Poole, relies upon the Academy for extensive training and outreach work with mainstream schools.

A person-centered planning approach is used for pupil review meetings. The Academy works with partner agencies to ensure pupils needs are met holistically, both at school and when young people finally move on to their destinations as young adults.

Achievements and performance

• KEY FINANCIAL PERFORMANCE INDICATORS

The progress of pupils is the core indicator of the Academy's effectiveness.

- Pupils in Lower School are making Good or Outstanding progress
- Progress overall in KS2 was GOOD with 80% of pupils making good or outstanding progress.
- 100% of pupils in KS3 was GOOD or OUTSTANDING.
- 26% pupils in Middle School and 16% pupils in Upper School are not making expected progress. Strategies are already in place to address this.
- Girls in Middle School are under performing boys in writing
- Boys in Upper School are underperforming girls in literacy and communication
- ASD pupils are performing better since organizing all pupils in to learning pathways/styles
- Upper School Band 1 pupils are under performing when their progress is compared with their peers. Their need for additional support from SALT has been implemented.
- One Pupil Premium Pupil (out of 17 eligible pupils) and one LAC pupil are not making expected progress (out of 6 pupils).
- Reading is an area across the whole school for pupils in Bands 2-5 which required strategies for improvement. These are in place and a positive impact on pupil progress and motivation has been documented.

This year the Academy has implemented termly pupil progress meetings with every teacher to make sure that pupils are on track to meet their targets at the end of the year.

During the year ended 31 August 2015 the total resources expended of £ 2,310,609 (2014 £2,401,973) was largely covered by grants from the DFE and other income, such as voluntary income, activities for generating funds and a small amount of investment income. The surplus of expenditure over income for the year was £15,948 (2014 £267,186 deficit).

The Academy brought forward £485,687 which will, in part, be used to mitigate against the risks and turbulence apparent in the financial climate and protocols around the education and funding of Children and Young People who have high needs.

• GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For

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

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 Accounting Policies.

Financial review

During the financial year ended 31 August 2015 the Academy received Grant Income of £2,054,690 and Non Grant Income of £224,867. Expenditure for the year totalled £2,310,609 which after the actuarial gain of £47,000 gives an in year surplus of £15,948.

The resignation of a number of older members of staff has enabled the Academy to recruit some new people who are near the beginning of their working life. This has addressed the previously "ageing" staff profile, brought new perspectives, vigour and skills, and been cost effective.

The practice of appointing new staff in response to pupil numbers rising after September (instead of recruiting for September) has saved money.

The further development of in-house training and the provision of weekend courses has enabled cost effective high quality professional development for staff (Eg. Sherborne Developmental Movement, which has been noted to promote progress in a number of end of year pupil reports, has been introduced into the school through weekend courses and in house mentorship). In-house training has also enabled internal promotions and created a cohesive staff team

The Academy's decision to run the pool itself has given it the opportunity to cover the maintenance and management costs of that provision, plus the potential for additional revenue.

• **RESERVES POLICY**

The Trustees have reserves amounting to £52,000 to mitigate against unforeseen financial occurrences. This amount is limited by the current economic climate where our income is subject to reduction and the turbulence in our income caused by the fluctuation in pupil numbers now that funding follows the student. It is the intention of the Trustees to review this annually and to increase reserves whenever possible in line with the review of risk by our Audit Committee.

The Academy Trust has fixed asset funds of £7,279,250 and reserves available for the utilisation (excluding pension deficit) of £523,149.

• **INVESTMENTS POLICY**

The Academy holds its reserves and accounts at Lloyds Bank and incurs no current account charges. The Academy has placed daily balances on Treasury Deposit overnight in order to maximise our returns without risk.

• **PRINCIPAL RISKS AND UNCERTAINTIES**

The Governors have an Audit Committee which regularly reviews and considers the risks to which the Academy is exposed. The main risk remains the Government's current funding mechanism and the prevailing economic climate. It recommends actions accordingly to the Headteacher.

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

The Academy has put in place a staffing structure which has expanded Middle Leadership roles across the school. This is part of an on-going strategy to ensure that staff have skills and knowledge that would enable them to step up into Senior Leadership roles if needed.

Policies and procedures are the process of being reviewed and revised with the aim of reducing any potential turbulence caused by e.g. political and financial factors.

We continue to forge close links with our community partners and promote the school through television, local press and social media.

Plans for future periods

● **FUTURE DEVELOPMENTS**

- To continue and extend work on moving towards being an "Outstanding School " and centre of excellence.
- To develop the school grounds to maximize learning and play opportunities for every pupil through effective fundraising and research.
- To work with the Local Authority regarding the housing project adjacent to the site to ensure the best outcomes for the school, with particular regard to the proposed facility for people with learning disabilities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of trustees on 7 December 2015 and signed on the board's behalf by:



Sidney Carter
Co Chair of Trustees



Alison Dalton
Co Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Head teacher, 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 Montacute School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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 5 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
Sidney Carter	4	5
Alison Dalton	4	5
Linda Creswell	3	5
Pamela Henderson	5	5
Virginia Jewell	3	5
Jean Joyce	5	5
Karon Nougher	4	5
Marcia Osborn	4	5
Jill Owen	4	5
Rosemary Wallis	4	5
Nicola Keynes	1	2
Avril Jackson	2	2
Jane Shaw	2	2

The Governing Body appointed 3 new Governors in May 2015 to expand their skills base.

Governance reviews:

As a result of our OFSTED inspection the Governors commissioned a Review of Governance in June 2015 by an external professional which resulted in recommendations around the organization of Governors' Committees in order to fulfil our monitoring role more efficiently.

New arrangements will take effect from Autumn Term 2015 and will be reviewed annually.

The finance committee is a sub-committee of the main board of trustees. Its purpose is to receive, review and approve the Academy's budget, to monitor expenditure on a regular basis, to monitor, review and ensure effective implementation of the Academy's financial procedures and to prepare financial statements for inclusion in the Annual Report and Accounts.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Pamela Henderson	4	5
Stephen Butterworth	3	5
Karon Nougher	5	5
Virginia Jewell	2	5
Rosemary Wallis	2	5
Jill Owen, Head Teacher	5	5

The Finance Committee also undertakes the function of an Audit Committee considering risks to which the Academy is exposed as described above.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Pamela Henderson	3	4
Stephen Butterworth	3	4
Karon Nougher	4	4
Virginia Jewell	1	4
Rosemary Wallis	1	4
Jill Owen	4	4

REVIEW OF VALUE FOR MONEY

As accounting officer, the Head teacher 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:

- Streamlining small budgets run by individual staff and making systems more explicit so money is well spent
- Managing the replacement of staff who leave by linking the timing of recruitment to fluctuations in pupil numbers
- Defining Middle Leader roles so that the school is able to improve and innovate without increasing over all staff numbers

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

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GOVERNANCE STATEMENT (continued)

date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the 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'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 committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have reappointed Alan Reed as their Responsible Officer (RO).

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a termly basis, the Responsible Officer's reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head teacher 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 external auditor;
- the work of an external accountancy adviser;
- the work of the Responsible Officer.

The accounting officer has advised the finance committee of the implications of the result of her review of the system of internal control and its implications.

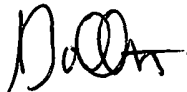
Approved by order of the members of the board of trustees on 7 December 2015 and signed on its behalf, by:



Sidney Carter
Co Chair of Trustees



Jill Owen
Accounting Officer



Alison Dalton
Co Chair of Trustees

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Montacute School I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

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



Jill Owen
Accounting Officer

Date: 14-12-15

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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

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

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

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

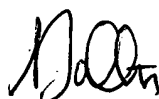
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been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

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

Approved by order of the members of the board of trustees on 7 December 2015 and signed on its behalf by:



Sidney Carter
Co Chair of Trustees



Alison Dalton
Co Chair of Trustees

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONTACUTE SCHOOL

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONTACUTE SCHOOL

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



S M Allenby FCA (Senior statutory auditor)
Clifford Fry & Co LLP

St Mary's House
Netherhampton
Salisbury
Wiltshire
SP2 8PU

Date: 16 DECEMBER 2015

MONTACUTE SCHOOL
(A company limited by guarantee)

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

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

This report is made solely to Montacute School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Montacute School 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 Montacute School and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Montacute School's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

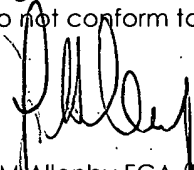
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

MONTACUTE SCHOOL
(A company limited by guarantee)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.



S M Allenby FCA (Reporting Accountant)

Clifford Fry & Co LLP

St Mary's House
Netherhampton
Salisbury
Wiltshire
SP2 8PU

Date: 16 DECEMBER 2015

MONTACUTE SCHOOL
(A company limited by guarantee)

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 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	162,995	6,570,926	6,733,921	41,199
Activities for generating funds	3	61,000	-	-	61,000	60,281
Investment income	4	872	-	-	872	599
Incoming resources from charitable activities	5	-	2,048,174	6,516	2,054,690	2,078,708
TOTAL INCOMING RESOURCES		61,872	2,211,169	6,577,442	8,850,483	2,180,787
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	6	38,292	-	-	38,292	53,261
Charitable activities		-	2,145,718	3,639,141	5,784,859	2,338,364
Governance costs	10	-	10,875	-	10,875	10,348
TOTAL RESOURCES EXPENDED	7	38,292	2,156,593	3,639,141	5,834,026	2,401,973
NET INCOMING/ (OUTGOING) RESOURCES BEFORE TRANSFERS		23,580	54,576	2,938,301	3,016,457	(221,186)

MONTACUTE SCHOOL
(A company limited by guarantee)

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

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
	Note					
Transfers between Funds	19	-	(158,694)	158,694	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		23,580	(104,118)	3,096,995	3,016,457	(221,186)
Actuarial gains and losses on defined benefit pension schemes		-	47,000	-	47,000	(46,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		23,580	(57,118)	3,096,995	3,063,457	(267,186)
Total funds at 1 September 2014		80,759	(973,072)	4,191,469	3,299,156	3,566,342
TOTAL FUNDS AT 31 AUGUST 2015		104,339	(1,030,190)	7,288,464	6,362,613	3,299,156

All activities relate to continuing operations.

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

The notes on pages 23 to 42 form part of these financial statements.

MONTACUTE SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07724780

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	16		7,279,250		4,178,574
CURRENT ASSETS					
Debtors	17	55,323		125,041	
Cash at bank and in hand		615,354		478,069	
		<u>670,677</u>		<u>603,110</u>	
CREDITORS: amounts falling due within one year	18	(138,314)		(104,528)	
NET CURRENT ASSETS			<u>532,363</u>		<u>498,582</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,811,613</u>		<u>4,677,156</u>
Defined benefit pension scheme liability	25	(1,449,000)		(1,378,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>6,362,613</u></u>		<u><u>3,299,156</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	418,810		404,928	
Restricted fixed asset funds	19	7,288,464		4,191,469	
Restricted funds excluding pension liability		<u>7,707,274</u>		<u>4,596,397</u>	
Pension reserve		<u>(1,449,000)</u>		<u>(1,378,000)</u>	
Total restricted funds			<u>6,258,274</u>		<u>3,218,397</u>
Unrestricted funds	19		<u>104,339</u>		<u>80,759</u>
TOTAL FUNDS			<u><u>6,362,613</u></u>		<u><u>3,299,156</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2015 and are signed on their behalf, by:



Sidney Carter
Co Chair of Trustees



Alison Dalton
Co Chair of Trustees

The notes on pages 23 to 42 form part of these financial statements.

MONTACUTE SCHOOL
(A company limited by guarantee)

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

	Note	2015 £	2014 £
Net cash flow from operating activities	21	3,276,474	(55,528)
Returns on investments and servicing of finance	22	872	599
Capital expenditure and financial investment	22	(3,140,061)	(151,022)
INCREASE/(DECREASE) IN CASH IN THE YEAR		137,285	(205,951)

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

	2015 £	2014 £
Increase/(Decrease) in cash in the year	137,285	(205,951)
MOVEMENT IN NET FUNDS IN THE YEAR	137,285	(205,951)
Net funds at 1 September 2014	478,069	684,020
NET FUNDS AT 31 AUGUST 2015	615,354	478,069

The notes on pages 23 to 42 form part of these financial statements.

MONTACUTE SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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

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

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

1.3 Incoming resources

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

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

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

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

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

MONTACUTE SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

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's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

MONTACUTE SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Straight line over 50 years (buildings only)
Motor vehicles	-	25% Straight line
Fixtures and fittings	-	15% Straight line
Computer equipment	-	20% Straight line

1.7 Taxation

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

1.8 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

MONTACUTE SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

1.9 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

2. VOLUNTARY INCOME

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	6,733,921	6,733,921	41,199

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other income	47,256	47,256	38,015
Catering income	9,994	9,994	15,112
Reimbursements and facilities income	3,750	3,750	7,154
	<u>61,000</u>	<u>61,000</u>	<u>60,281</u>

MONTACUTE SCHOOL
(A company limited by guarantee)

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

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	872	872	599
	<u>872</u>	<u>872</u>	<u>599</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants			
General annual grants	796,518	796,518	836,286
Capital grants	6,516	6,516	6,498
Other DfE/EFA grants	51,100	51,100	45,468
	<u>854,134</u>	<u>854,134</u>	<u>888,252</u>
Other government grants			
Local authority grants	1,200,556	1,200,556	1,190,456
	<u>1,200,556</u>	<u>1,200,556</u>	<u>1,190,456</u>
Other funding			
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,054,690</u>	<u>2,054,690</u>	<u>2,078,708</u>

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Amenity expenditure	4,669	4,669	16,470
Catering costs	19,146	19,146	20,139
Voluntary income staff costs	14,477	14,477	16,652
	<u>38,292</u>	<u>38,292</u>	<u>53,261</u>

MONTACUTE SCHOOL
(A company limited by guarantee)

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

7. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
		£	£		
Costs of generating voluntary income	14,477	-	23,815	38,292	53,261
Costs of generating funds	14,477	-	23,815	38,292	53,261
Direct costs	1,533,095	3,639,141	134,362	5,306,598	1,855,654
Support costs	324,993	94,573	58,695	478,261	482,710
Charitable activities	1,858,088	3,733,714	193,057	5,784,859	2,338,364
Governance	-	-	10,875	10,875	10,348
	1,872,565	3,733,714	227,747	5,834,026	2,401,973

8. DIRECT COSTS

	Educational Operations	Total	Total
	£	2015	2014
		£	£
Pension finance costs	33,000	33,000	-
Technology costs	7,888	7,888	4,994
Educational supplies	34,232	34,232	15,264
Staff development	19,140	19,140	15,769
Educational consultancy	20,265	20,265	19,603
Other direct costs	19,838	19,838	193,510
Loss on disposal of fixed assets	3,599,756	3,599,756	-
Wages and salaries	1,284,519	1,284,519	1,270,315
National insurance	72,880	72,880	73,305
Pension cost	175,695	175,695	173,385
Depreciation	39,385	39,385	89,509
	5,306,598	5,306,598	1,855,654

MONTACUTE SCHOOL
(A company limited by guarantee)

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

9. SUPPORT COSTS

	Educational Operations £	Total 2015 £	Total 2014 £
Pension finance costs	-	-	52,000
Technology costs	4,484	4,484	4,315
Other support costs	27,813	27,813	29,661
Recruitment and support	7,433	7,433	1,746
Maintenance of premises and equipment	51,441	51,441	11,032
Cleaning	8,273	8,273	7,163
Rent & Rates	9,444	9,444	9,222
Energy costs	25,415	25,415	31,926
Insurance	10,823	10,823	17,985
Security and transport	8,142	8,142	10,311
Wages and salaries	195,842	195,842	187,648
National insurance	10,586	10,586	9,694
Pension cost	118,565	118,565	110,007
	<u>478,261</u>	<u>478,261</u>	<u>482,710</u>

10. GOVERNANCE COSTS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Governance Auditors' remuneration	3,750	3,750	3,750
Governance Auditors' non audit costs	1,865	1,865	1,450
Accountancy fees	5,166	5,166	4,346
Bank charges	94	94	52
Professional fees	-	-	750
	<u>10,875</u>	<u>10,875</u>	<u>10,348</u>

MONTACUTE SCHOOL
(A company limited by guarantee)

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

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	39,385	89,509
Auditors' remuneration	3,750	3,750
Auditor's non audit costs	1,865	1,450
	<u>45,000</u>	<u>94,709</u>

12. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,454,401	1,392,104
Social security costs	83,453	83,071
Other pension costs (Note 25)	296,408	286,064
	<u>1,834,262</u>	<u>1,761,239</u>
Supply teacher costs	38,303	79,767
	<u>1,872,565</u>	<u>1,841,006</u>

b. Staff numbers

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

	2015 No.	2014 No.
Teaching Staff	11	11
Admin & Support Staff	43	43
Management	7	7
	<u>61</u>	<u>61</u>

MONTACUTE SCHOOL
(A company limited by guarantee)

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

12. STAFF (continued)

c. Higher paid staff

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

	2015	2014
	No.	No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 employer's contributions for this member of staff amounted to £10,723 (2014: £10,361).

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2014 - 3) in respect of defined contribution pension schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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
	£	£
Jill Owen	70,000-75,000	70,000-75,000
Marcia Osborn	25,000-30,000	25,000-30,000
Linda Creswell	20,000-25,000	20,000-25,000

During the year, no Trustees received any reimbursement of expenses (2014 - £425).

The value of employer's pension contributions for trustees was as follows:-

Jill Owen £10,000 - £15,000 (2014:£10,000 - £15,000)

Marcia Osborn £0 - £5,000 (2014:£0 - £5,000)

Linda Creswell £0 - £5,000 (2014:£0 - £5,000)

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

MONTACUTE SCHOOL
(A company limited by guarantee)

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

15. OTHER FINANCE INCOME

	2015 £	2014 £
Expected return on pension scheme assets	71,000	61,000
Interest on pension scheme liabilities	(104,000)	(113,000)
	<u>(33,000)</u>	<u>(52,000)</u>

16. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	4,367,394	31,935	19,784	11,090	4,430,203
Additions	6,570,926	-	151,273	17,618	6,739,817
Disposals	(3,816,929)	-	-	-	(3,816,929)
At 31 August 2015	<u>7,121,391</u>	<u>31,935</u>	<u>171,057</u>	<u>28,708</u>	<u>7,353,091</u>
Depreciation					
At 1 September 2014	217,173	23,286	6,332	4,838	251,629
Charge for the year	-	7,984	25,659	5,742	39,385
On disposals	(217,173)	-	-	-	(217,173)
At 31 August 2015	<u>-</u>	<u>31,270</u>	<u>31,991</u>	<u>10,580</u>	<u>73,841</u>
Net book value					
At 31 August 2015	<u>7,121,391</u>	<u>665</u>	<u>139,066</u>	<u>18,128</u>	<u>7,279,250</u>
At 31 August 2014	<u>4,150,221</u>	<u>8,649</u>	<u>13,452</u>	<u>6,252</u>	<u>4,178,574</u>

The land and buildings were valued by independent valuers, on the 19th September 2012 on the basis of depreciated replacement cost. The land was valued at £550,465. The old building was demolished and the new building constructed by the EFA and Poole Borough Council.

No depreciation was charged on the new building as it was not occupied until April 2015.

MONTACUTE SCHOOL
(A company limited by guarantee)

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

17. DEBTORS

	2015 £	2014 £
Trade debtors	15,324	81,510
VAT recoverable	5,807	11,991
Prepayments and accrued income	34,192	31,540
	<u>55,323</u>	<u>125,041</u>

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

	2015 £	2014 £
Trade creditors	36,091	19,028
Other taxation and social security	22,200	22,022
Other creditors	26,309	30,457
Accruals and deferred income	53,714	33,021
	<u>138,314</u>	<u>104,528</u>

Deferred income

Deferred income at 1 September 2014	19,205
Resources deferred during the year	3,575
Amounts released from previous years	<u>(19,205)</u>
Deferred income at 31 August 2015	<u>3,575</u>

At the balance sheet date the academy was holding funds received in advance for Infants Free School Meals Grant.

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	14,394	59,572	(33,623)	-	-	40,343
Amenity	66,365	2,300	(4,669)	-	-	63,996
	<u>80,759</u>	<u>61,872</u>	<u>(38,292)</u>	<u>-</u>	<u>-</u>	<u>104,339</u>

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FOR THE YEAR ENDED 31 AUGUST 2015**

Restricted funds

General Annual Grant (GAG)	351,558	796,518	(711,072)	(67,347)	-	369,657
Other Dfe/EFA Grants	7,201	51,100	(53,583)	-	-	4,718
Other government grants	-	1,200,556	(1,200,556)	-	-	-
Monty's Appeal	32,502	85,275	(73,342)	-	-	44,435
Amenity	40	-	(40)	-	-	-
Other restricted income	13,627	77,720	-	(91,347)	-	-
Pension reserve	(1,378,000)	-	(118,000)	-	47,000	(1,449,000)
	<u>(973,072)</u>	<u>2,211,169</u>	<u>(2,156,593)</u>	<u>(158,694)</u>	<u>47,000</u>	<u>(1,030,190)</u>

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	4,178,574	6,570,926	(3,628,942)	158,694	-	7,279,252
Devolved Formula Capital	12,895	6,516	(10,199)	-	-	9,212
	<u>4,191,469</u>	<u>6,577,442</u>	<u>(3,639,141)</u>	<u>158,694</u>	<u>-</u>	<u>7,288,464</u>
Total restricted funds	3,218,397	8,788,611	(5,795,734)	-	47,000	6,258,274
Total of funds	<u>3,299,156</u>	<u>8,850,483</u>	<u>(5,834,026)</u>	<u>-</u>	<u>47,000</u>	<u>6,362,613</u>

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

Unrestricted funds

These funds are for the general use of the academy and may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted funds

The General Annual Grant (GAG) represents funding received from the EFA during the year in order to fund the continuing activities of the academy.

Other Dfe/EFA Grants includes Pupil Premium for disadvantaged pupils.

Local authority grants includes top up funding from the local authorities.

Fixed Asset Funds

These funds are used for the purpose of buying or constructing fixed assets and include unspent capital grants of £9,212. These include the new building of £6,570,926 which was constructed by the EFA and the Borough of Poole for Montacute School. The old building which has a NBV of

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

19. STATEMENT OF FUNDS (continued)

£3,599,756 was demolished in the year.

Transfers

The transfers between funds represent tangible fixed assets purchased during the year out of non capital grants and donations.

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

20. 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	-	-	7,279,252	7,279,252	4,178,574
Current assets	104,339	557,123	9,212	670,674	603,110
Creditors due within one year	-	(138,313)	-	(138,313)	(104,528)
Provisions for liabilities and charges	-	(1,449,000)	-	(1,449,000)	(1,378,000)
	<u>104,339</u>	<u>(1,030,190)</u>	<u>7,288,464</u>	<u>6,362,613</u>	<u>3,299,156</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	3,016,457	(221,186)
Returns on investments and servicing of finance	(872)	(599)
Depreciation of tangible fixed assets	39,385	89,509
Decrease/(increase) in debtors	69,718	(18,302)
Increase/(decrease) in creditors	33,786	(33,950)
FRS 17 adjustments	118,000	129,000
Net cash inflow/(outflow) from operations	<u>3,276,474</u>	<u>(55,528)</u>

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	872	599
	<u>872</u>	<u>599</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(6,739,817)	(151,022)
Sale of tangible fixed assets	3,599,756	-
	<u>(3,140,061)</u>	<u>(151,022)</u>
Net cash outflow capital expenditure	<u>(3,140,061)</u>	<u>(151,022)</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	478,069	137,285	-	615,354
Net funds	<u>478,069</u>	<u>137,285</u>	<u>-</u>	<u>615,354</u>

24. CAPITAL COMMITMENTS

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

	2015 £	2014 £
Contracted for but not provided in these financial statements	3,313	-
	<u>3,313</u>	<u>-</u>

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25. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Dorset County Pension Fund. Both are defined benefit schemes.

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

Contributions amounting to £26,308 were payable to the scheme at 31 August 2015 (2014 - £24,604) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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25. PENSION COMMITMENTS (continued)

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

The pension costs paid to TPS in the period amounted to £175,695 (2014: £173,385).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £166,000, of which employer's contributions totalled £125,000 and employees' contributions totalled £41,000. The agreed contribution rates for future years are 17.4% for employers and 5.5% to 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 amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,842,000)	(2,558,000)
Fair value of scheme assets	1,393,000	1,180,000
Net liability	<u>(1,449,000)</u>	<u>(1,378,000)</u>

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

25. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Current service cost	(210,000)	(197,000)
Interest on obligation	(104,000)	(113,000)
Expected return on scheme assets	71,000	61,000
Total	(243,000)	(249,000)

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

	2015 £	2014 £
Opening defined benefit obligation	2,558,000	2,287,000
Current service cost	210,000	197,000
Interest cost	104,000	113,000
Contributions by scheme participants	41,000	37,000
Actuarial Gains	(57,000)	(75,000)
Benefits paid	(14,000)	(1,000)
Closing defined benefit obligation	2,842,000	2,558,000

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

	2015 £	2014 £
Opening fair value of scheme assets	1,180,000	1,084,000
Expected return on assets	71,000	61,000
Actuarial gains and (losses)	(10,000)	(121,000)
Contributions by employer	125,000	120,000
Contributions by employees	41,000	37,000
Benefits paid	(14,000)	(1,000)
Total	1,393,000	1,180,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £406,000 (2014 - £453,000 loss).

The academy expects to contribute £130,000 to its Defined benefit pension scheme in 2016.

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

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

	2015	2014
Equities	55.00 %	55.00 %
Gilts	12.00 %	20.00 %
Cash	4.00 %	9.00 %
Other bonds	13.00 %	- %
Property	10.00 %	9.00 %
Infrastructure	1.00 %	- %
Diversified growth fund	5.00 %	5.00 %
Absolute return portfolio	- %	2.00 %

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Rate of increase in salaries	4.10 %	4.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.60 %
Inflation assumption (RPI)	3.50 %	3.40 %

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	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

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25. PENSION COMMITMENTS (continued)

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(2,842,000)	(2,558,000)	(2,287,000)	(1,872,000)	(1,269,000)
Scheme assets	1,393,000	1,180,000	1,084,000	809,000	596,000
Deficit	<u>(1,449,000)</u>	<u>(1,378,000)</u>	<u>(1,203,000)</u>	<u>(1,063,000)</u>	<u>(673,000)</u>
Experience adjustments on scheme liabilities	57,000	75,000	-	-	-
Experience adjustments on scheme assets	<u>(10,000)</u>	<u>(121,000)</u>	<u>81,000</u>	<u>39,000</u>	<u>-</u>

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the year.

27. CONTROLLING PARTY

There is no overall controlling party.

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

28. COMPANY LIMITED BY GUARANTEE

Montacute School is a company limited by guarantee and accordingly does not have share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £10 to the net assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

29. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the year ended 31st August 2015 the trust received £7,200 and disbursed £7,200 from the fund.