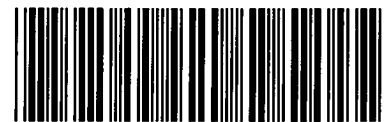


NEW ACADEMIES TRUST

(a company limited by guarantee)

Report and Financial Statements For the Year ended 31 August 2014

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Company Number: 08270694

New Academies Trust

Financial Statements for the year ended 31 August 2014

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New Academies Trust

Reference and Administrative Details

Members

Prof. D J Muller
R E Fern
M A Gleave

Trustees

Dr R C Nicol – Chair
Prof. D J Muller – Chief Executive
R E Fern
A G H Fell (resigned 31 Oct 2014)
M A Gleave
C P Bushby (appointed 2 September 2013)

Company Secretary

M J Harnden

Senior Management Team

Principal
Deputy Principal
Director of Learning
Director of Learning
Director of Learning
Director of Learning
Director of Business Services

A G H Fell (resigned 31 Oct 14)
J Daniels (resigned 31 Oct 14)
K Greenwood
K Howes
A Cleary
T Stannard
A Weatherby

Principal and Registered Office

Suffolk New College
Rope Walk
Ipswich
Suffolk
IP4 1LT

Company Registration Number

08270694 – England & Wales

Independent Auditor

Baker Tilly UK Audit LLP
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

Bankers

Lloyds Bank plc.
Cornhill
Ipswich
Suffolk
IP1 1DG

Solicitors

Gotelee Solicitors
31 – 41 Elm Street
Ipswich
Suffolk
IP1 2AY

New Academies Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2014. 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 11 to 16 serving a catchment area in Ipswich. It has a pupil capacity of 825 and had a roll of 665 in the school census dated October 2013.

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 New Academies Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as New Academies Trust.

The Academy Trust traded as Suffolk New Academy throughout the whole of the year.

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

Member's 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 amounts as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

Throughout the year Professional Indemnity Insurance, Governors and Trustee's Liability Insurance and Fidelity Guarantee Insurance was in place.

Method of Recruitment and Appointment or Election of Trustees

As Directors of the Charitable Company, Trustees are appointed in line with the Articles of Association of the Charitable Company. The Trust is entitled to appoint any number of Trustees, with no maximum. As a minimum, the Trust is required to have the Principal of the Sponsor, the academy Principals, the Chair of the local governing bodies, and up to 10 Directors appointed by the Sponsor.

The Trustees bring a range of experience in education and in the management of charitable companies. In searching for any future requirements for Trustees these qualities will be key aspects of the selection process.

Policies and Procedures Adopted for the Induction and Training of Trustees

There are no formal training and induction plans in place, as all trustees are experienced members of the local community.

All academy governors are subject to a thorough induction programme, which includes familiarisation with the school, its ethos and its principles.

New Academies Trust

Trustees' Report

Organisational Structure

The Trust is overseen by a board of trustees which is separate to the Local Governing Bodies of all academies controlled by it. Certain decisions are reserved by the Board of Trustees, whereas other elements are delegated to the Local Governing Body, or the Principal of the academy concerned.

The Trust is required to approve the capital and annual revenue budgets, but delegates control of them down to Local Governing Bodies, who in turn delegate day-to-day control of down to the local Principals to the limit of £25,000.

All other powers are reserved by the Trust.

Connected Organisations including Related Party Relationships

The Sponsor provides a number of services to the Trust, which are supplied at cost, and are needed to support the Trust's charitable activities. These services are Human Resources support, Finance support, IT support, Facilities support (including cleaning), and Health and Safety support.

Risk Management

The Trustees have considered the major risks to which the Charitable Company is exposed, and have reviewed those risks and established systems and procedures to manage those risks.

Objectives and Activities

Objects and Aims

To advance 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 schools offering a broad and balanced curriculum.

To promote for the benefit of the inhabitants of Ipswich and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have needs of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

The Trust converted Chantry High School to an Academy on 1st February 2013.

A key objective is to work towards achieving growth in academic performance at the academy.

The Trust operated at a surplus, excluding fixed asset transactions and actuarial losses on the pension fund, for the year ended 31st August 2014. The financial objective is to operate a balanced or small surplus budget, on this basis in each financial year.

The Academy benefits through being a member of the Academy Trust as it can draw the upon expertise that its sponsor, Suffolk New College, has within its staff in the areas of Accounting, Human Resources, IT, and Facilities Management, rather than directly employing staff to carry out these functions at a greater cost than through the service level agreement.

New Academies Trust

Trustees' Report

Public Benefit

The Trustees have complied with their duty to have due regard to exercising their powers to ensure that the Trust complies with Charity Commission guidance on public benefit in regards to its charitable activities.

Suffolk New Academy continues to provide high quality education to its students. In addition, the Academy has a thriving community sports offer (Body & Mind) which offers a wide range of activities to the general public.

Strategic Report

Achievements and Performance

The Secretary of State issued a Pre-Warning Notice Letter to Suffolk New College in relation to Suffolk New Academy on 20 October 2014. This stated that the standards of performance of pupils at Suffolk New Academy are unacceptably low.

A number of initial actions have been taken by the Trust to address this. The Senior Leadership group has been reviewed and the responsibilities of Directors of Learning have been changed to ensure core subjects are prioritised. A meeting took place with DfE on 24 November 2014 to review Suffolk New College as the sponsor of the Academy. A review of options is underway for next academic year 2015-16.

The Trust has merged the Governing Body and Trust Board together therefore ensuring that this single body is focused on monitoring performance. A new Committee of Performance and Attainment has been established with a specific focus on improving standards. As well as these actions a new Academy Development plan for 2014-15 has been produced.

Key Performance Indicators

Academic Performance

The proportion of pupils achieving 5A*-C including English & Maths in summer 2014 was 24%. This is being responded to in the Academy Development plan.

Budgetary Control

There was a surplus of income over expenditure in 2013-14 which will be carried forward for utilisation in future periods. This excludes fixed asset transactions, and actuarial losses on the pension fund.

Liquidity has improved, with the current ratio rising to 5.52 (2013: 4.4).

Financial Review

The Academy Trust is in a sound financial position with a substantial proportion of its funding coming from the Education Funding Agency and Suffolk County Council. To a large extent the government funding is driven by the number students on the roll. We have been subject to a falling roll over the past year, however the Trust is confident that with careful management and a robust system of internal control it will be able to meet its costs and the objectives of the Trust as a whole.

During the period to 31 August 2014, GAG income exceeded recurrent educational expenditure by £117,000 and this balance will be carried forward for utilisation in future periods.

New Academies Trust

Trustees' Report

Reserves Policy

A formalised reserves policy is currently being prepared for implementation in the next few months.

The level of free resources at 31 August 2014 was £1,192,000 (2013: £1,125,000)

Investment Policy

The Trust has published a Treasury Management Policy which sets out how surplus funds are to be invested. Its primary aim is to ensure that any surplus funds are invested prudently to seek to achieve a good return whilst ensuring above all else that the need to protect the capital sum.

The Trust has one deposit with Lloyds Bank, who is the main clearing bank for the Suffolk New Academy

Principal Risks and Uncertainties

The examination results for Suffolk New Academy in 2014 were unacceptably low and as a result a number of strategies have been put in place to ensure the school is on an improvement journey.

Cash-flow continues to be monitored regularly and due to the funding arrangements in place we do not expect to encounter any significant problems.

Plans for Future Periods

The Trust has set out 5 key priorities in its 14-15 Development Plan to address the issues set out in the Pre-Warning Notice Letter. These are listed below:

- **Achievement & Progress Strategic Vision:** Students at Suffolk New Academy will: achieve their full potential; have good functionality in literacy, numeracy and ICT; and view learning positively, recognising its intrinsic value and relevance to their futures.
- **Teaching and Learning Strategic Vision:** Students at Suffolk New Academy will develop the habits of good learners enabling them to actively engage with their own learning and construct their own success both while at school and in their future careers. A passion for learning will permeate all aspects of Academy life and will be experienced by both staff and students.
- **Behaviour and Safety Strategic Vision:** Students and staff at Suffolk New Academy will be respectful, tolerant and enthusiastic in their endeavours, seizing their opportunities and reacting positively to new things. They will do the right thing, be accountable for their actions and show determination and positive learning habits.
- **Leadership and Management Strategic Vision:** Suffolk New Academy will establish high quality distributed leadership at every level of the Academy; insisting on professionalism at all levels; ensuring united commitment to the vision for high standards and transformation within the Academy. We will reflect upon what we value and value what we want to become.
- **Community, Curriculum and SMSC Development Strategic Vision:** New Suffolk New Academy will be the school of choice within its community, actively and enthusiastically engaging with all members of its community, raising aspirations and creating opportunities through its curriculum provision. The Academy will support and work with its stakeholders and create a learning environment which engenders respect and pride.

New Academies Trust

Trustees' Report

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.

Auditors

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

Statement as to Disclosure of Information to Auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the Directors at a meeting on 17 December 2014 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'R C Nicol', with a long horizontal line extending from the end of the signature.

Dr R C Nicol
Chair of Trustees

New Academies Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day to day responsibilities to the Chief Executive, 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 New Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees and material weaknesses of breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met eight times during the period.

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

Trustee	Meetings attended	Out of a possible
Dr R C Nichol (Chair)	7	8
Prof D J Muller	8	8
M A Gleave	6	8
R E Fern	8	8
A G H Fell	5	8
C P Bushby	4	8

Dr R C Nicol was formally appointed as Chair at the Trust's September 2013 meeting, and Professor D J Muller was formally appointed as Chief Executive and therefore Accounting Officer at the same time.

The Board of Trustees has not yet carried out a self-evaluation of its governance procedures. The trust plans to do this within the next six months.

The finance committee is a sub-committee of each Local Governing Body. As such, there are no Trustees in direct attendance.

The audit committee is a sub-committee of the main board of trustees. It held its first meeting on 12 December 2013. Its purpose is to:

- To advise the Academy Trust on the adequacy and effectiveness of the systems of internal control and its arrangements for risk management control and governance processes, and for securing economy, efficiency and effectiveness (value for money).
- To monitor and assess the performance of, and advise the Academy Trust on the appointment, performance, reappointment, dismissal and remuneration of the Auditors.
- To consider and advise the Academy Trust on, the annual financial statements.
- To produce an annual audit report for the Academy Trust and Accounting Officer, which should include the Committee's advice on the effectiveness of risk management, control and governance processes.
- To ensure that all allegations of fraud and irregularity are properly investigated.

New Academies Trust

Governance Statement

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C P Bushby	2	2
R E Fern	2	2

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in New Academies Trust for the period 1 September 2013 to 31 August 2014 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 an on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 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 budgeted and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and employment, and audit committees 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;

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 Baker Tilly, the external auditor, to perform additional checks.

New Academies Trust

Governance Statement

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 17 December 2014 and signed on its behalf by:



Dr R C Nicol
Chair of Trustees



Prof. D J Muller
Accounting Officer

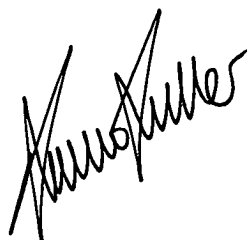
New Academies Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of New Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of any 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.

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.

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.



Prof. D J Muller
Accounting Officer
17 December 2014

New Academies Trust

Statement of Trustees' Responsibilities

The Trustees (who act as governors of New Academies Trust 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 Academies Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

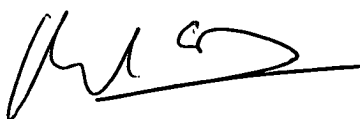
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

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

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

Approved by order of the Board of Trustees on 17 December 2014 and signed on its behalf by



Dr R C Nicol
Chair of Trustees

New Academies Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of New Academies Trust

We have audited the financial statements of New Academies Trust for the year ended 31 August 2014 on pages 14 to 35. 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 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 Charitable Company'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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2014 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;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the Financial Statements.

New Academies Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of New Academies Trust

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, 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.

Baker Tilly UK Audit LLP

CLAIRE SUTHERLAND (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Abbotsgate House

Hollow Road

Bury St Edmunds

Suffolk

IP32 7FA

Date 18 December 2014

New Academies Trust

Statement of Financial Activities for the Year Ended 31 August 2014

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2014 £000	7 month period ended 31 August 2013 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	-	-	-	-	1
Voluntary income - transfer from local authority on conversion	3	(12)	-	-	(12)	8,453
Activities for generating funds	4	169	-	-	169	104
Investment income	5	10	-	-	10	1
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy Trust's educational operations	6	14	4,728	-	4,742	3,113
Total Incoming Resources		181	4,728	-	4,909	11,672
Resources expended						
<i>Cost of generating funds</i>						
Costs of activities for generating funds	7	101	-	-	101	63
<i>Charitable activities</i>						
Academy Trust's educational operations	8	13	4,594	2,836	7,443	4,427
Governance costs	9	-	27	-	27	61
Total Resources Expended		114	4,621	2,836	7,571	4,551
Net incoming / (outgoing) resources before transfers		67	107	(2,836)	(2,662)	7,121
Gross transfers between funds	17	-	-	-	-	-
Net income / (expenditure) for the year		67	107	(2,836)	(2,662)	7,121
Other recognised gains & losses						
Actuarial losses on defined benefit pension scheme		-	(334)	-	(334)	(20)
Net movement in funds		67	(227)	(2,836)	(2,996)	7,101
Reconciliation of funds						
Total funds brought forward		1,125	(323)	6,299	7,101	-
Total funds carried forward	17	1,192	(550)	3,463	4,105	7,101

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

New Academies Trust

Balance Sheet as at 31 August 2014

Company Number: 08270694

	Note	2014 £000	2014 £000	2013 £000	2013 £000
Fixed assets					
Tangible assets	13		3,463		6,299
Current assets					
Debtors	14	184		233	
Cash at bank and in hand		<u>1,876</u>		<u>1,737</u>	
		2,060		1,970	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(373)</u>		<u>(448)</u>	
Total assets less current liabilities			1,687		1,522
Less: Creditors amounts falling due after more than one year	16		<u>(50)</u>		<u>(66)</u>
Net assets excluding pension liability			5,100		7,755
Pension scheme liability	27		<u>(995)</u>		<u>(654)</u>
Net assets including pension liability			<u>4,105</u>		<u>7,101</u>
Funds of the Academy Trust:					
Restricted income funds					
- Fixed asset fund	17	3,463		6,299	
- General fund	17	<u>445</u>		<u>331</u>	
Restricted funds excluding pension reserve		3,908		6,630	
Pension reserve	17	<u>(995)</u>		<u>(654)</u>	
Total restricted funds			2,913		5,976
Total unrestricted funds	17		<u>1,192</u>		<u>1,125</u>
Total funds			<u>4,105</u>		<u>7,101</u>

The financial statements on pages 14 to 35 were approved by the directors, and authorised for issue on 17 December 2014 and are signed on their behalf by:



Dr R C Nicol
Chair of Trustees

New Academies Trust

Cash Flow Statement for the year ended 31 August 2014

	Notes	2014 £000	2013 £000
Net cash flow from operating activities	21	153	523
Returns on investments and servicing of finance	22	10	1
Financing	23	(24)	(19)
Cash transferred on conversion to an Academy Trust	24	-	1,232
		<u> </u>	<u> </u>
Increase in cash in the period	25	<u>139</u>	<u>1,737</u>
Reconciliation of net cash flow to movement in net funds		£000	£000
Increase in cash in the period		139	1,737
Cash outflow from change in funds		<u>24</u>	<u>19</u>
Change in funds resulting from cashflows		163	1,756
Net debt acquired on conversion		<u>(12)</u>	<u>(104)</u>
Movement in net funds		151	1,652
Net funds at start of period		<u>1,652</u>	<u>-</u>
Net funds at 31 August		<u>1,803</u>	<u>1,652</u>

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

1 Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast doubt on the ability of the company to continue as a going concern. The Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue to operate for the foreseeable future.

The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

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

- **Grants Receivable**

Grant income is 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 is 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 of the restricted general fund.

- **Sponsorship Income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

- **Donations**

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

- **Other Income**

Other income including hire of facilities, catering income and income from trips and activities, is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service

- **Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the 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 accounting policies.

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

1 Statement of Accounting Policies (continued)

- **Interest Receivable**

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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 to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of Generating Funds**

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

- **Charitable Activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

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

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

Leasehold buildings	2 years 7 months straight line *
Motor Vehicles	3 years straight line (on conversion)
Other Furniture and Equipment	5 years straight line **

* This is down to timing of when Suffolk New Academy is due to be completely rebuilt with funding from the EFA.

** This date is stated when the asset is new, applied pro-rate on conversion.

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

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

1 Statement of Accounting Policies (continued)

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

Leased assets

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings Related Pension Scheme ('SERPS') (until April 2016) 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 27, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and Department for Education.

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	7 months ended 31 August 2013 £000
Other donations	-	-	-	1
	-	-	-	1

3 Voluntary Income - transfer from local authority on conversion

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	7 months ended 31 August 2013 £000
Transfer of leasehold land and buildings	-	-	-	7,930
Transfer of other fixed assets	-	-	-	26
Transfer of cash at bank	-	-	-	1,232
Loans transferred	(12)	-	(12)	(104)
LGPS pension deficit	-	-	-	(631)
	(12)	-	(12)	8,453

4 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	7 months ended 31 August 2013 £000
Hire of facilities	154	-	154	98
Other income	15	-	15	6
	169	-	169	104

5 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	7 months ended 31 August 2013 £000
Short term deposits	10	-	10	1
	10	-	10	1

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

6 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	7 months ended 31 August 2013 £000
DfE / EFA Grants				
- General annual grant (GAG)	-	4,225	4,225	2,601
- Start Up Grants	-	91	91	157
- Capital Grants	-	15	15	16
- Pupil Premium	-	330	330	174
- Other DfE / EFA grants	-	-	-	105
	<u>-</u>	<u>4,661</u>	<u>4,661</u>	<u>3,053</u>
Other Government Grants				
- Local authority grants	-	47	47	17
- Other grants	-	20	20	32
	<u>-</u>	<u>67</u>	<u>67</u>	<u>49</u>
Other Income				
- Income from trips and visits	14	-	14	10
- Other income	-	-	-	1
	<u>14</u>	<u>-</u>	<u>14</u>	<u>11</u>
	<u>14</u>	<u>4,728</u>	<u>4,742</u>	<u>3,113</u>

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

7 Resources Expended

	Staff Costs	Non Pay Expenditure		Total	7 months ended 31 August 2013
	£000	Premises £000	Other Costs £000	2014 £000	2013 £000
Costs of activities for generating funds	74	13	14	101	63
Academy's educational operations					
- Direct costs	3,054	-	225	3,279	1,992
- Allocated support costs	279	311	3,574	4,164	2,435
	<u>3,407</u>	<u>324</u>	<u>3,813</u>	<u>7,544</u>	<u>4,490</u>
Governance costs including associated support costs	-	-	27	27	61
	<u>3,407</u>	<u>324</u>	<u>3,840</u>	<u>7,571</u>	<u>4,551</u>

Net incoming / (outgoing) resources for the year are stated after charging:

	2014 £000	2013 £000
Operating leases	12	8
Fees payable to auditor:		
- audit	12	11
- other services	<u>3</u>	<u>1</u>

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

8 Charitable Activities

	Total 2014 £000	7 months ended 31 August 2013 £000
Direct costs - educational operations		
Teaching and education support staff costs	2,949	1,710
Agency staff costs	105	129
Educational supplies	119	65
Examination fees	46	42
Staff development	27	12
Educational consultancy	17	14
Other direct costs	16	20
	3,279	1,992
Support Costs - educational Operations		
Support staff costs	279	160
Depreciation	2,836	1,657
Technology costs	58	54
Recruitment and support	13	8
Maintenance of premises	107	67
Cleaning	5	4
Rent and rates	29	18
Energy costs	93	56
Insurance	77	49
Security and transport	1	1
Catering	81	50
Bank interest and charges	-	-
FRS17 financing cost	13	11
Other support costs	572	300
	4,164	2,435
Total direct and support costs	7,443	4,427

9 Governance Costs

	Total 2014 £000	7 months ended 31 August 2013 £000
Legal and professional fees	15	49
Auditors remuneration		
- Audit of financial statements	12	8
- Other services	-	4
	27	61

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

10 Staff

	2014 £000	7 months ended 31 August 2013 £000
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a. Staff costs

Staff costs during the year were:

Wages and salaries	2,713	1,580
Social security costs	192	105
Pension costs (including FRS17 adjustments)	403	228
	<u>3,308</u>	<u>1,913</u>
Supply staff costs	105	129
Staff restructuring costs	1	-
	<u>3,414</u>	<u>2,042</u>

b. Staff severance payments

Included in staff restructuring costs are the non-statutory/non-contractual severance payments totalling £1,165 (2013: nil).

c. Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year expressed as headcount was as follows:

	2014 No.	2013 No.
Charitable Activities		
Teachers	50	48
Administration and support	68	74
Management	7	7
	<u>125</u>	<u>129</u>

d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2014 No.	2013 No.
£60,001 - £70,000	1	3
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
	<u>-</u>	<u>1</u>

Two of the above employees participated in the Teachers' Pension Scheme, which is a defined benefit scheme.

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

11 Related Party Transactions - Trustees' Remuneration & Expenses

The Principal only receives remuneration in respect to the service that they provide undertaking the role of Principal, and not in respect of their services as a Trustee. Other trustees did not receive any payments other than expenses, from the academy trust in respect of their role as trustees. The value of Trustees' remuneration was as follows:

A G H Fell (Principal and Trustee): £94,773 (7 months ending 31 August 2013 £54,736)

The above figures include Teachers' Pensions contributions, which is a defined benefit scheme, of £11,712 (7 months to 31 August 2013: £6,764)

During the year ended 31 August 2014, travel and subsistence expenses totalling £201 (2013: £856) were reimbursed to 1 trustee (2013: 1 trustee).

Other related party transactions involving the Trustees are set out in note 28.

12 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim, and the cost for the year ended 31 August 2014 was £5,671 (2013: £5,671).

The cost of this insurance is included in the total insurance cost.

13 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Motor Vehicles £000	Total £000
Cost				
At 1 September 2013	7,930	22	4	7,956
At 31 August 2014	<u>7,930</u>	<u>22</u>	<u>4</u>	<u>7,956</u>
Depreciation				
At 1 September 2013	1,650	6	1	1,657
Charged in year	2,828	7	1	2,836
At 31 August 2014	<u>4,478</u>	<u>13</u>	<u>2</u>	<u>4,493</u>
Net book values				
As at 31 August 2014	<u><u>3,452</u></u>	<u><u>9</u></u>	<u><u>2</u></u>	<u><u>3,463</u></u>
As at 31 August 2013	<u>6,280</u>	<u>16</u>	<u>3</u>	<u>6,299</u>

Upon conversion to an Academy Trust, leasehold land and buildings were transferred from the predecessor state maintained school on a depreciated replacement cost basis. The leasehold land and buildings were valued on 31 March 2013 by G Tyerman MRCIS at £7,930,000.

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

14 Debtors

	2014 £000	2013 £000
Trade debtors	7	11
VAT recoverable	66	104
Prepayments and accrued income	111	118
	<u>184</u>	<u>233</u>

15 Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	138	46
Taxation and social security	58	61
Other creditors	53	56
Accruals	61	197
Deferred income	40	69
Salix loans	19	19
Caterlink loans	4	-
	<u>373</u>	<u>448</u>

Deferred Income

Deferred income at 1 September	69	-
Resources deferred in the year	40	69
Amounts released from previous periods	(69)	-
Deferred income at 31 August	<u>40</u>	<u>69</u>

Deferred income relates to funding received that is not due until the coming year

16 Creditors: Amounts falling due after more than one year

	2014 £000	2013 £000
Salix loans	46	66
Caterlink loans	4	-
	<u>50</u>	<u>66</u>

Loans are repayable as follows:

Between one and two years	23	19
Between two and five years	27	47
	<u>50</u>	<u>66</u>

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

17 Funds

	Balance at 1 September 2013 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2014 £000
Restricted general funds					
General Annual Grant (GAG)	280	4,225	(4,108)	-	397
Start up grant	-	91	(91)	-	-
Pupil Premium	-	330	(330)	-	-
Devolved formula capital Grant	16	15	(16)	-	15
Other government grants	-	66	(66)	-	-
Activities for All / Enrichment	35	1	(3)	-	33
	<u>331</u>	<u>4,728</u>	<u>(4,614)</u>	<u>-</u>	<u>445</u>
Pension reserve	(654)	-	(7)	(334)	(995)
	<u>(323)</u>	<u>4,728</u>	<u>(4,621)</u>	<u>(334)</u>	<u>(550)</u>
Restricted fixed asset funds					
Amounts transferred from LA upon conversion	6,299	-	(2,836)	-	3,463
	<u>6,299</u>	<u>-</u>	<u>(2,836)</u>	<u>-</u>	<u>3,463</u>
Total restricted funds	<u>5,976</u>	<u>4,728</u>	<u>(7,457)</u>	<u>(334)</u>	<u>2,913</u>
Unrestricted funds					
Unrestricted funds	1,125	181	(114)	-	1,192
Total unrestricted funds	<u>1,125</u>	<u>181</u>	<u>(114)</u>	<u>-</u>	<u>1,192</u>
Total funds	<u>7,101</u>	<u>4,909</u>	<u>(7,571)</u>	<u>(334)</u>	<u>4,105</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2014.

The Pension reserve represents the Academy's net liability in respect of the Local Government Pension Scheme.

The Pupil Premium income represents an additional grant to support those students on free school meals and who are from service families. Costs incurred for this purpose, such as additional teaching and support staff expenses, have been set off against this income.

Other DfE/EFA grants, including Start-up grant and devolved formula capital grant, represents funding received from the Department for Education or Education Funding Agency for a particular purpose. Relevant costs have been offset against this income.

Other government grants represents funding received from non-DfE/EFA governmental bodies for a particular purpose. Relevant costs have been offset against this income.

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

17 Funds (continued)

Activities for all income and expenditure represents monies received and expended on subsidising activities for all projects and enrichment projects across the Academy.

Assets transferred from the LA on conversion represent the leasehold land and buildings and other assets transferred from the predecessor school upon becoming an Academy. Expenditure during the year of £2,836k is in respect of depreciation on these transferred assets.

18 Analysis of Net Assets between Funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	3,463	3,463
Net current assets	1,242	438	-	1,680
Long-term liabilities	(50)	-	-	(50)
Pension scheme liability	-	(995)	-	(995)
Total net assets	1,192	(557)	3,463	4,098

19 Capital Commitments

	2014 £000	2013 £000
Contracted for, but not provided in the financial statements	246	-

20 Financial Commitments

Operating Leases

At 31 August 2014 the Academy Trust has annual commitments under non-cancellable operating leases as follows:

	2014 £000	2013 £000
Other		
Expiring within one year	-	5
Expiring within two and five years inclusive	12	10
Expiring in over five years	-	1
	12	16

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

21 Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2014 £000	2013 £000
Net income	(2,662)	7,121
Cash transferred on conversion	-	(1,232)
Depreciation (note 13)	2,836	1,657
Fixed assets transferred on conversion	-	(7,956)
Deficit on LGPS fund transferred	-	631
Interest receivable (note 5)	(10)	(1)
FRS 17 cost less contributions payable (note 27)	(6)	(8)
FRS 17 pension finance income (note 27)	13	11
Decrease / (Increase) in debtors	49	(233)
(Decrease) / Increase in creditors	(79)	429
Loans transferred on conversion	12	104
Net Cash Inflow from Operating Activities	153	523

22 Returns of Investments and Servicing of Finance

Interest received	10	1
Net cash inflow from returns on investment and servicing of finance	10	1

23 Financing

Loans repaid	(24)	(19)
Net cash outflow from financing	(24)	(19)

24 Cash Transferred on Conversion to an Academy

Cash transferred on conversion	-	1,232
Cash transferred on conversion to an Academy Trust	-	1,232

25 Analysis of Changes in Net Funds

	At 1 September 2013 £000	Cash Flows £000	Non-Cash Movements £000	At 31 August 2014 £000
Cash at bank and in hand	1,737	139	-	1,876
Debt due within one year	(19)	24	(28)	(23)
Debt due after one year	(66)		16	(50)
	<u>1,652</u>	<u>163</u>	<u>(12)</u>	<u>1,803</u>

The non-cash movement represents new loans taken on in year, together with the movement of loans from long-term to short-term.

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

26 Member's Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it ever 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 (ten pounds) for the debts and liabilities contracted before he/she ceases to be a member.

27 Pension and Similar Obligations

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

As described in note 27, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to and did join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £52,528 (2013: £51,293) were payable to the schemes at 31 August 2014 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pensions 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 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 along with public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were to be paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

27 Pension and Similar Obligations (continued)

Valuation of the Teachers' Pension Scheme

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based in career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

27 Pension and Similar Obligations (continued)

Teachers' Pension Scheme Changes (continued)

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatted Teachers' Pension Scheme and regulations giving it effect came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £120,000 of which employer's contributions totalled £95,000 and employees' contributions totalled £25,000. The agreed contribution rates for future years are 21.3% for employers and for employees the rate is in the range of 5.5% to 7.5% depending on salary level.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of an academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. This guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	At 31 August 2014 % pa	At 31 August 2013 % pa
Rate of increase in salaries	4.40%	5.10%
Rate of increase for pensions in payment	2.60%	2.80%
Discount rate	3.70%	4.60%
Expected return on Assets	5.50%	5.90%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement at 65 are:

	At 31 August 2014	at 31 August 2013
<i>Retiring today:</i>		
Males	22.40	21.40
Females	24.40	23.30
<i>Retiring in 20 years:</i>		
Males	24.30	23.70
Females	26.90	25.70

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

27 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2014	Fair Value at 31 August 2014 £000	Expected return at 31 August 2013	Fair Value at 31 August 2013 £000
Equities	6.40%	1,100	6.70%	765
Bonds	3.40%	340	4.10%	233
Property	4.50%	162	4.70%	100
Cash	3.30%	16	3.60%	11
Total market value of assets		1,618		1,109
Present value of scheme liabilities				
- Funded		(2,613)		(1,763)
Deficit in the scheme		(995)		(654)

The actual return on scheme assets was £142,000 (2013: £51,000).

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period.

Amounts recognised in the statement of financial activities

	2014 £000	2013 £000
Current service cost	168	87
Total operating charge	168	87

Analysis of pension finance costs

Expected return on pension scheme	72	27
Interest on pension liabilities	(85)	(38)
Pension finance costs	(13)	(11)

The actuarial gains and losses for the current year are recognised in the SOFA

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a £354,000 loss (2013: £20,000 loss).

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

27 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Movements in the present value of defined benefit obligations were	2014 £000	2013 £000
At 1 September	1,763	-
Transfer of scheme obligations	-	1,571
Current Service Cost	168	87
Interest Cost	85	38
Employee Contributions	44	25
Actuarial Losses	573	42
Benefits Paid	(20)	-
At 31 August	2,613	1,763

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

	2014 £000	2013 £000
At 1 September	1,109	-
Transfer of scheme assets	-	940
Employer Contributions	174	95
Employee Contributions	44	25
Expected Return on Assets	72	27
Actuarial Gains	239	22
Benefits Paid	(20)	-
At 31 August	1,618	1,109

The estimated value of employer contributions for year ended 31 August 2015 is £ 172,000

The history of experience adjustments is as follows:

	2014 £000	2013 £000
Present value of defined benefit obligations	(2,613)	(1,763)
Fair value of scheme assets	1,618	1,109
Deficit in the scheme	(995)	(654)
Experience adjustments on scheme assets	239	22
Experience adjustments on scheme liabilities	(193)	-

New Academies Trust

Notes to the Financial Statements for the year ended 31 August 2014

28 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 organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arms length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

New Academies Trust is sponsored by Suffolk New College of which Suffolk New Academy is currently the only member. A number of the Members of the Corporation and Senior Post-holders are involved as either Governors of the Academy or Members of the Academy Trust. During the year the Academy purchased services to the value of £462,566 (2013: £254,795) and provided Services to the value of £nil (2013: £1,000).

At the year end Suffolk New Academy owed Suffolk New College £72,303 (2013: £30,676)