

REGISTERED COMPANY NUMBER: 08812257 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 12 DECEMBER 2013 TO
31 AUGUST 2014
FOR
ESHER LEARNING TRUST**

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COMPANIES HOUSE

Wilkins Kennedy LLP
Chartered Accountants
Statutory Auditor
Greytown House
221-227 High Street
Orpington
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BR6 0NZ

ESHER LEARNING TRUST

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FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014**

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ESHER LEARNING TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

MEMBERS	The Guildford Diocese Educational Trust A Edwards L Beighton P Price
DIRECTORS	L Beighton (appointed 12.12.2013) H Coulson (appointed 12.12.2013) A Edwards (appointed 12.12.2013) P Price (appointed 12.12.2013) S Morris (appointed 5.3.2014) (resigned 31.8.2014) M Boddington (appointed 1.9.2014)
SENIOR MANAGEMENT TEAM	S Morris (Headteacher to 31.8.2014) M Boddington (Headteacher from 1.9.2014) H Gregory (Deputy Headteacher) N Morris (Deputy Headteacher from 1.9.2014) P Gower (Deputy Headteacher) N Buckland (School Business Manager) J Ribolla (Assistant Headteacher) G Davies (Assistant Headteacher) C Donnachie (Assistant Headteacher to 31.8.2014) S Jay (Assistant Headteacher from 1.9.2014) C Hamden (Assistant Headteacher from 1.9.2014) J Woodley (Bursar from 1.9.14) N Buchan (Community & Business Manager to 31.8.2014)
REGISTERED OFFICE	More Lane Esher Surrey KT10 8AP
REGISTERED COMPANY NUMBER	08812257 (England and Wales)
AUDITORS	Wilkins Kennedy LLP Chartered Accountants Statutory Auditor Greytown House 221-227 High Street Orpington Kent BR6 0NZ
BANKERS	Lloyds Bank Commercial Banking PO Box 1000 Andover BX1 1LT
SOLICITOR	Stone King Solicitors 16 St John's Lane London EC1M 4BS

ESHER LEARNING TRUST
REPORT OF THE DIRECTORS
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

The Directors present their report together with the financial statements and auditor's report of the charitable company for the period 12 December 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report and a director's report under company law.

The Trust operates an academy for pupils aged 11 to 16 servicing a catchment area in Surrey. It has a pupil capacity of 1050 and had a roll of 1087 in the school census on May 2014.

INCORPORATION

The academy trust was incorporated on 12 December 2013 and commenced trading on 1 March 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Academy Trust is a company limited by guarantee with no share capital (registration no. 08812257) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Directors act as the Trustees for the charitable activities of Esher Learning Trust and are also Directors of the charitable company for the purposes of company law. The charitable company is known as Esher Church of England High School. Details of the Directors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Esher Learning Trust was incorporated on 12 December 2013 as a multi Academy Trust. At the period end the Trust only consisted of one school, Esher Church of England High School which obtained academy status from 1 March 2014.

Members' liability

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

Principal activities

The principal activity of the Academy Trust is 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 and settings offering a broad and balanced curriculum to children with special educational needs.

Recruitment and appointment of new trustees

The members of the Academy Trust shall comprise no less than 3 persons, nor more than 10 (including co-opted Directors. Subject to Articles 48-49, the Company shall have the following Directors: A minimum of 1 Director and up to 2 Directors appointed under Article 50; the Executive Principal; the Chair of Governors of the Local Governing Body of Esher Church of England High School and up to 2 other appointees of the Local Governing Body of Esher Church of England High School; up to 2 appointees of the other Academies operated by the Company, to be divided equally in the event that there are 2 other Academies and, in the event that there are 3 or more Academies, to be determined on a rotation system to be determined by the Members; Parent Directors if appointed under Articles 53-56 in the event that no provision is made for parent representatives on Local Governing Bodies under Article 101A. The company may also have any Co-opted Director appointed under Article 588.

The first Directors shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006. The Guildford Diocese Educational Trust shall appoint no fewer than 1 Director provided that the total number of Directors appointed under this Article would not thereby exceed 25% of the total number of Directors.

The term of office for any Director (other than the co-opted Directors under Article 58) shall be 4 years, save that this time limit shall not apply to the Executive Principal. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Induction and training of new trustees

During the period under review the Directors held three meetings. The Directors are all experienced members of the Local Governing Body, training and induction provided for new Directors will depend on their existing experience. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors.

ESHER LEARNING TRUST
REPORT OF THE DIRECTORS
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

Organisational structure

The structure consists of three levels: the Trust Board, the Local Governing Body and the Academy Senior Leadership Team. The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trust Board are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Local Governing Body are responsible for Esher High School they follow a Scheme of Delegation set by the Trust. Strategic decisions are implemented at local level within the Terms of Reference as issued by the Trust.

The Academy Senior Leadership team consists of the Headteacher of the School, two Deputy Headteachers, three Assistant Headteachers, the Bursar and the Community & Business Manager. These leaders control the Academy at a school level implementing the policies laid down by the Trust Board and Directors and reporting back to the Local Governing Body. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff where authorised by the Headteacher. Appointments of middle and senior leader posts will require Governor input into the selection process for existing vacancies and authorisation from the Trust Board for new posts.

Connected Organisations

The Academy Trust has a subsidiary company; Track Education Ltd, company No. 07887685 (incorporated 20th December 2011) Track Education was set up to deliver leadership training to other schools and also to provide "Lesson Tracker" a computerised system that can be used to support and shape whole school improvements including targeted professional development for individuals.

There is a Trust Fund for parental donations which is registered with the Charities Commission as Esher Church of England High School Trust Fund charity number 1047146.

Esher High School is a National Teaching School, the Academy Trust oversees the work of the Teaching School and there are close links with Surrey Teaching Schools Network (STSN) a company limited by guarantee and Teach Surrey. Teach Surrey is a collaboration between Esher High School, West Hill Special School, Leatherhead and George Abbot School, Guildford; together they deliver a School Centred Initial Teacher Training programme (SCITT). The Teaching School works closely with both the Diocese of Guildford and Babcock 4S to provide school to school support to a range of schools in Surrey and Hampshire.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Company's objects ("the Objects") are specifically restricted to the following:

- (a) 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 (Academies) which shall offer a broad and balanced curriculum and which shall include:
 - (i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the relevant Funding Agreement), and having regard to any advice issued by the Diocesan Board of Education;
 - (ii) other Academies whether with or without a designated Church of England religious character;but in relation to each of the Academies to recognise and support their individual character and respect the different background of each and its links to the local community which it serves; and
- (b) to promote for the benefit of the inhabitants of the areas in which the Academies are situated and the surrounding areas the provision of facilities for recreation or other leisure time occupation of individuals who have need 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.

At Esher Church of England High School, our aim is to be the best school in Surrey for realising students' learning potential. Promoting excellence in all aspects of school life and fostering spiritual, cultural and moral awareness within a Christian ethos, we aim to encourage all of our students to develop as independent and co-operative learners. Through developing students' personal and social skills, we hope to prepare them as self-confident and highly motivated people - ready for adult life.

ESHER LEARNING TRUST
REPORT OF THE DIRECTORS
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

Objectives and aims - continued

Our four core values, underpinning life and learning at the school, are:

A Love of Learning
Care and Respect for Ourselves and Others
Success and its Celebration
Strive to Achieve through Effort and Determination

The following priorities are designed to help us to achieve our vision:

- Maximise student potential : Identify all underachievement at an early stage and ensure that strategies are put in place in order to maximise student potential
- Maximise staff performance in the classroom : Identify outstanding practice and ensure that it is shared with others
- Maximise Leadership potential within the school
- Remove 'Barriers to Literacy' : Improve standards of literacy across the school with special attention to boys and SEN children
- Ensure that our curriculum is fit for purpose and that it recognises the needs of our students and maximises their choice.
- Develop the provision for our Gifted and Talented students
- Ensure that SMSC is at the heart of our education experience : helping students to 'grow and develop as people' (From - Promoting and evaluating pupils' spiritual, moral, social and cultural development' - OFSTED)
- Secure outstanding behaviour
- Establish a pathway to meet and navigate the exciting challenges of a growing and changing school
- Develop the work of the National Teaching School

Equal opportunities policy

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. The school aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

The Academy complies fully with Disability Discrimination Act regulations and is equipped to welcome and/or teach any child or adult with a disability.

Public benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

Admissions criteria

- Admissions to the school are the responsibility of the Directors of the school.
- The following criteria will be applied in accordance with current legislation and the expressed policies of the school.

Where applications for admission exceed the number of places available, the following criteria will be applied, in the order set out below. As directed by the Local Authority (LA), children with a statement of special educational needs that specifies the school as the placement school will be given separate consideration.

1. Looked After Children (children in public care) and previously looked after children who have been adopted or made subject to a residence or special guardianship order.
2. Exceptional social/ medical needs
In exceptional circumstances students will be admitted on medical and social grounds; the grounds on which the application is made must be supported by written evidence from a registered health professional such as a consultant doctor, psychologist, education social worker or educational welfare officer to demonstrate that Esher High School is the only secondary school suitable for that student. This evidence must be submitted at the time of application.
3. Children who have a sibling living at the same address, attending Esher C of E High School at the time of admission.
4. Children whose permanent home is within the revised catchment area for Esher C of E High School.
5. Any Other Applicant

If the school is oversubscribed within any category, priority will be given to those living closest to the school. Home to school distance will be measured by a straight line from the address location of the child's permanent address as set by Ordnance Survey to the nearest school gate for pupils to use.

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REPORT OF THE DIRECTORS
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Admissions criteria- continued

This is calculated using the Local Authority Admission and Transport team's Geographical Information System.

Where two or more children share a priority for a place e.g. where two children live equi-distant from the school (or in the same multiple occupancy dwelling) and only one place remains, the school will draw lots to determine which child should be given priority.

In the case of multiple births where children are ranked consecutively in their order of priority for a place and there are not sufficient vacancies remaining for each of them, wherever it is logistically possible, each child will be offered a place. Where it is not logistically possible to offer each child a place the child(ren) to be offered the last remaining place(s) will be determined by the school drawing lots.

Appeals

Appeals will be heard in accordance with appropriate legislation. An Independent Appeals Panel appointed by the local education authority will adjudicate on all appeals for places in Esher Church of England High School. Any parent wishing to appeal should follow the procedure set out in the admissions brochure. There will be no other appeal to the Directors or Governors for a place at Esher Church of England High School.

Children with Statements of Special Educational Needs

The Directors must admit children with statements naming Esher Church of England High School but authorities have a duty to consult the school before naming it in the statement. Such admissions are separate from those provided for in this policy.

For the September 2013 intake the school received 805 preferences for the 210 places available in Year 7. The maximum distance offered under the distance criteria was 1.8 miles.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

The Academy is in its first year of operation and continues to achieve the forecast numbers of students. Total students in the period ended 31st August 2014 numbered 1079 and the Academy has a full complement in all year groups.

In summer 2014 the Academy gained a disappointing set of results in public examinations at GCSE when compared to the previous year. However, there were significant reforms to the GCSE examinations and to the calculation of performance measures for summer 2014, resulting in reduced GCSE performance nationally. It is therefore not possible to compare results with previous years.

Students enter the school with broadly average attainment. By the end of Year 11, attainment is broadly in line with the national average with 56% attaining 5+ A*-C including English and mathematics and 60% of students attaining 5+ A*-C in 2014.

33% per cent of students gained the English Baccalaureate (Ebacc.) suite of subjects in 2014, a significantly higher proportion of the cohort than that found nationally. 34% of students known to be eligible for Pupil Premium funding achieved 5+ A*-C including English and mathematics in 2014. This represents a 26% in-school gap between the performance of those students entitled to Pupil Premium and that of their peers. At the time of writing this report there is no national data available for comparison, but early indications suggest that this is broadly in line with the national average.

64% of students made expected levels of progress in English and mathematics; slightly below the national trend for English but broadly in line for mathematics.

The Academy was inspected by Ofsted in June 2013 and September 2013. In this 'no notice' inspection the school achieved a 'good judgement overall with an 'outstanding' judgement for behaviour. Key strengths of the school were identified as being:

ESHER LEARNING TRUST
REPORT OF THE DIRECTORS
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

ACHIEVEMENT AND PERFORMANCE - continued

- Students achieve well and make good progress in their learning. In 2013, the school achieved its best ever results.
- Teaching is good. Teachers' subject knowledge is universally strong. Teachers plan lessons that are organised, well resourced and often innovative.
- In the best lessons, students make rapid progress and show a real thirst for knowledge because teachers make very effective use of information about their prior attainment to plan activities that challenge students of all abilities.
- Senior leaders and the governing body consistently communicate high expectations and ambition. Many leaders are of a high calibre.
- Staff are proud to work at the school and are passionate about improving outcomes for all students.
- Professional development opportunities in the school are of a consistently high quality.
- Students' behaviour and attitudes to learning are outstanding. Their spiritual, moral, social and cultural development is excellent. Support for individual students' needs is exemplary.

Directors know and understand the school well and provide highly effective challenge and support for the school. They are fully committed to its continued improvement

The areas for improvement identified in the Ofsted report of June 2013 and September 2013 were:

- Reduce the variability in teaching so that all students make rapid progress across the full range of subject areas, by:
 - ensuring that all teachers make effective use of information about students' prior attainment to plan and teach lessons that fully challenge students of different abilities, especially the least and most able.
 - ensuring that leaders provide teachers with feedback on their lessons that focuses more specifically on the learning and progress of different groups of students
 - continuing to embed the teaching of writing across all areas of the curriculum.
- Ensure that leaders at all levels evaluate more precisely the impact of the school's actions on improving outcomes for specific groups of students.

Going Concern

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

Key Financial Performance Indicators

Main Strategic Theme	Objective	Targets
1. Achievement	Maximise students potential	Increase the number of students achieving 5 + A-C including English and Maths. Increase the % of students achieving EBacc.
2. Teaching & Learning	Maximise staff performance in the classroom	85% of teaching is good or outstanding No teaching is inadequate
3. Behaviour & Safety	Continue to improve overall attendance levels.	Attendance 94.3% Persistent absenteeism reduced.
4. Leadership & Membership	Maximise leadership potential within the school.	Every leader should be at least good or better with 50% being outstanding. Implement new middle leadership structure.

FINANCIAL REVIEW

Financial Report for the Period

Most of the school's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

ESHER LEARNING TRUST
REPORT OF THE DIRECTORS
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

FINANCIAL REVIEW (continued)

During the period ended 31 August 2014, total expenditure of £3,357k was met by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £412k.

At 31 August 2014 the net book value of fixed assets was £24,509k. Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the school's.

The Surrey County Council Pension Fund, in which the Academy participates, showed a deficit of £1,707k at 31 August 2014. £1,342k was inherited by Esher Learning Trust from the Surrey County Council on 1 March 2014, the date the local authority's staff transferred to employment with the Academy.

The Statement of Financial Activities includes the assets and liabilities from the predecessor school, details of these can be found in Note 10 on page 25.

Reserves Policy

The Directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £543k.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves is £812k (total funds less the amount held in fixed assets and restricted funds), the Directors expect to utilise the additional reserves in the coming years.

Investment Policy

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Directors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Financial Position

The Academy held fund balances at 31 August 2014 of £23,711k comprising £22,899k of restricted funds and £812k of unrestricted general funds. Of the restricted funds, £24,509k is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £1,707k in deficit.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risks to which Esher Learning Trust is exposed relate primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow
- Reduction in student numbers
- The potential loss of Teaching School designation and associated income generation.

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £1,707k

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties that Esher Learning Trust faces are mitigated by the risk management process that the Academy Trust has in place.

Risk Management

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 9.

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FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

PLANS FOR FUTURE PERIODS

Esher Church of England High School will continue to focus on improving the outcomes for our students and ensure that students of all abilities and backgrounds are challenged and able to move on to suitable education or training.

At Esher Church of England High School we are taking a broad view of our curriculum to ensure that it is appropriate for all our students. We offer an academic curriculum that enables good outcomes for many of our students, yet also have more vocational pathways that suit other members of our community, but are evaluating the provision for all the members of our School. We will continue to accept students from the schools in our catchment area and work closely with both the local primary schools and the Sixth Form college that many of our students go on to attend.

In order to deliver our commitment to students we provide a wide range of staff development and training. This builds on in-school, local and regional expertise to support all our staff in their learning journey.

Our facilities are excellent and we benefit from having had substantial investment in recent years including a new Sports Hall Complex, refurbished MFL, ICT and Geography classrooms, a Learning Hub, new Administration offices, refurbished Pastoral block and a dedicated Science block which will become available in early 2015. We are also refurbishing the English teaching rooms, and all this will support excellent teaching in a first class environment.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each governor has taken all the steps that they ought to have taken as a governor in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
H Coulson - Director

Date: 10th December 2014

ESHER LEARNING TRUST
GOVERNANCE STATEMENT
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Esher Learning 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 has delegated the day-to-day responsibility to the CEO of the Trust, 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 Esher Learning Trust and the Secretary of State for Education. The CEO of the Trust is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Directors and in the Statement of Directors Responsibilities. The Board of Directors has formally met 3 times during the period. Attendance during the period at meetings of the Board of Directors was as follows:

Governor	Meetings attended	Out of a possible
H Coulson	3	3
A Edwards	3	3
P Price	3	3
L Beighton	3	3
S Morris	3	3
M Boddington	1	1

The Board of Directors has seen the following changes; S Morris became the CEO of the Trust and M Boddington joined the board as the new Headteacher from 1st September.

The following points are made with regards to the evaluation or review that has been undertaken during the year on the impact and effectiveness of the Board of Directors, this includes an external review of governance as defined by the National College for teaching and leadership.

- No review of governance carried out during this period.
- Chair of Directors (an NLG) completed National College Chair of Directors Leadership Development Programme training.
- Governance was scrutinised by Ofsted/HMI in June and September 2013 and Leadership was deemed to be "Good".
- Directors and leadership team carried out termly reviews of the school development plan priorities in the school "Workplan" and evaluating the impact of the work being carried out during the year via questioning during committee meetings, data analysis, school visits, through the work of link Directors and whole school feedback.
- Directors and SLT at the end of the summer term carry out a review based on the SEF of priorities for the coming year which become the following years "Work plan".

In June 2013 Directors carried out a skills audit to establish key development training needs - and additional training requirements in preparation for the conversion to Academy Status (which was scheduled to take place in the autumn term of 2013 but was delayed until March 2014).

Directors used this skills audit to ascertain training requirements. Full governing body training on Data/Raise Online took place in January 2014 and in March 2014 Safeguarding training as well as Directors attending specific training to their needs throughout the year.

The skills audit also assisted with establishing which additional skills would be needed in new Directors joining the governing body in the future.

The Esher Church of England High School Governing Body have in light of the downturn in GCSE results scheduled a review, as it is good practice and with the appointment of a new head teacher and leadership team which has led to all aspects of the school now being under review. The governing body will be carrying out a full review of governance in the Spring Term 2015, which will include looking at governance structures (internal review), effectiveness of governance, how Directors engage with the school development areas etc. These areas of the review will be carried out by an external party - a National Leader of Governance.

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GOVERNANCE STATEMENT
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

Governance - continued

In Sept 2014 another Governor Skills audit will be carried out to establish training needs and skill requirement on the governing body.

Full Governing Body training is planned in the autumn term of 2014 on Academy Financial Management and School Improvement.

The Provision Committee is a subcommittee of the Governing Body. The committee also fulfils the role of the Audit committee and reports to the Local Governing Body and the Board of Directors. The Board of Directors intends to set up an Audit Committee. The Provision Committee's terms of reference are as follows:

- Monitor and Evaluate progress in achieving School Development Plan targets relevant to the work of the committee.
- Review and monitor those areas of Self Evaluation related to the work of the committee.
- Review and monitor the implementation of policies listed in the Provision Policy Review Schedule.
- Review in detail the Schools performance data related to the work of the committee eg Financial Benchmarking, absence and staff turnover, accidents reported, maintenance and ICT response times.
- Review stakeholder feedback related to work of this committee.
- Prepare and review financial policy statements, including consideration of long term planning and resourcing in accordance with the School Development Plan.
- Consider each year's annual management plan priorities, as defined in one year work plan.
- Set and present annual revenue and capital budgets to the Governing Body for approval.
- Monitor income and expenditure against budgets and formally report to the Governing Body at least once per term.
- Review annually the level of delegation to the Headteacher for the day-to-day financial management of the School.
- Monitor School financial controls including procedures for the placing of contracts, currently operated in accordance with section E of the SCC LMS Finance Guide and the SCC Procurement Standing Orders for Schools (revised September 2010).
- Receive and, where appropriate, respond to the periodic audit reports of all funds, public and non public.
- To review the staffing structure and job profiles in line with the needs of the school on a regular basis.
- To convene if necessary as a Redundancy Committee to draft, in consultation with staff, trades unions and professional associations, criteria for redundancy for approval by the Governing Body.
- Review Strategic Premises Planning and ensure that the school has a current Asset Management Plan in line with DfE guidance.
- To ensure the School provides a safe and secure environment.
- To ensure the School meets the statutory Health and Safety regulations and complies with statutory fire regulations.

Attendances at meetings of the Provision Committee by committee members in the period 1st March (the date of academy conversion) - 31st August were as follows:

Governor	Meetings Attended	Out of a possible
G Manickam	2	2
S Morris	2	2
A Edwards	2	2
N Eggar	2	2
H Coulson	0	2
P Price	2	2
C Duke	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 Esher Learning Trust for the period 12 December 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 Directors 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 Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 12 December 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 Directors.

ESHER LEARNING TRUST
GOVERNANCE STATEMENT
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:-

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Provision 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; and
- the identification and management of risks.

The Directors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Provision Committee have appointed CEFM, to complete the work programme for the internal auditor. The role includes performing a range of checks on the Academy Trust's financial systems. On a termly basis, the Internal Auditor reports to the Board on the operation of the systems of control and on the discharge of the Board's financial responsibilities. All small areas were reviewed and action taken as suggested by the Internal Auditor.

All planned work was carried out and no material control issues were discovered.

Review of Effectiveness

As Accounting Officer, (the Headteacher) 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 Internal Auditor;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Executive Managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Directors on 10th December 2014 and signed on its behalf by:


H Coulson - Director


S Morris - Accounting Officer

ESHER LEARNING TRUST

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014**

As accounting officer of Esher Learning Trust I have considered my responsibility to notify the academy trust board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust board of Directors 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 Directors and the EFA.

S. Morris

S Morris - Accounting Officer

Date: 10th December 2014.

ESHER LEARNING TRUST

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014**

The Directors (who act as trustees of Esher Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Directors 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 directors to prepare financial statements for each financial year. Under company law the directors 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements 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 academy trust will continue in business.

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

The Directors are responsible for ensuring that in its conduct and operation the academy trust 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.

ON BEHALF OF THE BOARD:


H Coulson - Director

Date: 10th December 2014

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ESHER LEARNING TRUST**

We have audited the financial statements of Esher Learning Trust for the period ended 31 August 2014 on pages seventeen to thirty two. 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 Accounts Direction 2014 issued by the Education Funding Agency (EFA).

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors Responsibilities set out on page thirteen, the Directors (who are also 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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



Michelle Wilkes (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Chartered Accountants
Statutory Auditor
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Date: 18.12.14

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ESHER LEARNING TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Esher Learning Trust during the period 12 December 2013 to 31 August 2014 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 Esher Learning Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Esher Learning Trust and 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 Esher Learning Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Esher Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Esher Learning Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2013, 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. 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 period 12 December 2013 to 31 August 2014 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 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

As a firm we have taken the decision to use the Mercia work programme for regularity audit as approved by the ICAEW. The work undertaken to draw to our conclusion includes:

- Identification and assessment of the design and operational effectiveness of controls in place.
- Assessment and review of the policies and procedures in place and implementation thereof.
- Assessment that the policies and procedures have been implemented.
- Considered the activity represented by the expenditure and considered whether any may represent a breach of terms included within the funding agreement and the academy's charitable objects.
- Confirmed that the results of procedures throughout the audit did not provide any evidence that related party transactions and controlling party, if any, is incomplete.
- Considered whether the movements, including the level of disposals, and depreciation of fixed assets appear reasonable in view of our knowledge of the academy, its funding and consent received for disposals.
- Verified a sample of grants receivable to grant documentation, especially noting any restrictions as to timing or other recognition of the income, and any claw back clauses.
- Considered whether income appeared to be derived from activities outside of the academy's charitable objects and wider framework of authorities.
- Ensured that bank accounts are operated within the terms of the governing document, delegated powers, and the bank mandates.
- Considered the systems in place to ensure compliance with terms of funding and other relevant authorities (e.g. terms of the Academies Financial Handbook or terms relevant to non-core funding streams).
- Ensured that the overall level of retained funds is acceptable in view of the academy's needs and plans, and that the accumulated funds are justifiable and permissible under the terms of funding.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
ESHER LEARNING TRUST AND THE EDUCATION FUNDING AGENCY

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 period 12 December 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy W

Wilkins Kennedy LLP
Chartered Accountants
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Date: 18.12.14

ESHER LEARNING TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014**

	Notes	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset fund £'000	Total funds £'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	61	97	-	158
Voluntary income - Transfer from Local Authority on conversion	10	773	(1,342)	24,643	24,074
Activities for generating funds	3	83	-	-	83
Incoming resources from charitable activities					
Academy's educational operations	4	-	3,092	-	3,092
Total incoming resources		917	1,847	24,643	27,407
RESOURCES EXPENDED					
Charitable activities					
Academy's educational operations	6	-	3,128	181	3,309
Governance costs	7	-	48	-	48
Total resources expended	5	-	3,176	181	3,357
NET INCOMING RESOURCES BEFORE TRANSFERS					
		917	(1,329)	24,462	24,050
Gross transfers between funds	17	(105)	58	47	-
Net incoming/(outgoing) resources before other recognised gains and losses		812	(1,271)	24,509	24,050
Other recognised gains/losses					
Actuarial gains/losses on defined benefit schemes	18	-	(339)	-	(339)
NET MOVEMENT IN FUNDS		812	(1,610)	24,509	23,711
TOTAL FUNDS CARRIED FORWARD		812	(1,610)	24,509	23,711

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

The notes form part of these financial statements

ESHER LEARNING TRUST (REGISTERED NUMBER: 08812257)

**BALANCE SHEET
AT 31 AUGUST 2014**

	Notes	£'000
FIXED ASSETS		
Tangible assets	13	24,509
CURRENT ASSETS		
Stocks		6
Debtors	14	605
Cash in hand		<u>801</u>
		1,412
CREDITORS		
Amounts falling due within one year	15	<u>(503)</u>
NET CURRENT ASSETS		<u>909</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		25,418
PENSION LIABILITY	18	<u>(1,707)</u>
NET ASSETS		<u>23,711</u>
FUNDS	17	
Unrestricted funds:		
General fund		812
Restricted funds:		
General Restricted		97
Fixed Asset Fund		24,509
Pension Fund		<u>(1,707)</u>
		22,899
TOTAL FUNDS		<u>23,711</u>

The financial statements were approved by the Board of Directors on 01 December 2014 and were signed on its behalf by:



A Edwards - Director



H Coulson - Director

The notes form part of these financial statements

ESHER LEARNING TRUST
CASH FLOW STATEMENT
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

Net cash inflow from operating activities	Notes 22	£'000 848
Capital expenditure and financial investment	23	(47)
		<hr/>
Increase in cash in the period		<u>801</u>

Reconciliation of net cash flow to movement in net funds	24	
Increase in cash in the period		<u>801</u>
Change in net funds resulting from cash flows		<u>801</u>
Movement in net funds in the period		801
Net funds at 12 December		<u>-</u>
Net funds at 31 August		<u>801</u>

The notes form part of these financial statements

ESHER LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Going concern

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

Preparation of consolidated financial statements

The financial statements contain information about Esher Learning Trust as an individual academy trust and do not contain consolidated financial information as the parent of a group. The academy trust has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the academy trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants receivable

Grants, where conditions have been met to establish entitlement, are included in the statement of financial activities on a receivable basis. Where grants are received but conditions establishing entitlement have not been met, these are deferred. The balance of income receivable for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

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.

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

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Academy, a reasonable estimate of the gross value is included within fixed assets and, with an appropriate credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

ESHER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

1. ACCOUNTING POLICIES - continued

Resources expended

All 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.

All resources expended are inclusive of irrecoverable VAT.

Governance costs

Governance costs include the costs attributable to the Academy's compliance and constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Tangible fixed assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £2,000 or group of the same assets amounting to £3,000 are written off in the year of acquisition. All other assets 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 carried forward in the balance sheet). The depreciation on such assets is charged to the restricted fund in the Statement of Financial Activities.

The property has been included at its donated value as provided by the EFA when completing their desktop valuation.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Buildings	2%
Furniture and Equipment	25%
ICT equipment	33.3%

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

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

ESHER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

1. ACCOUNTING POLICIES - continued

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Directors.

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

Restricted funds comprise all other restricted funds received and include grants from the EFA and DfE.

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, 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 the 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.

Conversion to an academy

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Alexandra Infants School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Directors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in Note 10.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2. VOLUNTARY INCOME

	£'000
Trips	97
Donations	61
	<u>158</u>

ESHER LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014**

3. ACTIVITIES FOR GENERATING FUNDS

	£'000
Hire of facilities	36
Other income	<u>47</u>
	<u><u>83</u></u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2014 Total £'000
DfE/ EFA revenue Grants			
General Annual Grant (GAG)	-	2,672	2,672
Start Up Grants	-	25	25
Other DfE/ EFA grants	<u>-</u>	<u>117</u>	<u>117</u>
	-	2,814	2,814
Other Government Grants			
Local Authority Grants	<u>-</u>	<u>277</u>	<u>277</u>
Other Non-Government Grants			
		<u>1</u>	<u>1</u>
Total Grants	<u>-</u>	<u><u>3,092</u></u>	<u><u>3,092</u></u>

5. RESOURCES EXPENDED

	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	Total £'000
Charitable activities				
Academy's educational operations				
Direct costs	1,543	-	422	1,965
Allocated support costs	<u>898</u>	<u>263</u>	<u>183</u>	<u>1,344</u>
	2,441	263	605	3,309
Governance costs including allocated support costs				
	<u>-</u>	<u>-</u>	<u>48</u>	<u>48</u>
	<u><u>2,441</u></u>	<u><u>263</u></u>	<u><u>653</u></u>	<u><u>3,357</u></u>

Net resources are stated after charging/(crediting):

	£'000
Auditors' remuneration	8
Depreciation - owned assets	<u>181</u>

ESHER LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014**

6. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Direct costs			
Teaching and educational support staff	-	1,543	1,543
Depreciation	-	166	166
Technology costs	-	11	11
Educational supplies	-	188	188
Examination fees	-	18	18
Staff development	-	12	12
Educational consultancy	-	24	24
Other direct costs	-	3	3
	-	1,965	1,965
Allocated support costs			
Support staff costs	-	898	898
Depreciation	-	15	15
Technology costs	-	24	24
Recruitment and support	-	28	28
Maintenance of premises and equipment	-	184	184
Cleaning	-	4	4
Rent and rates	-	17	17
Energy costs	-	41	41
Insurance	-	20	20
Security and transport	-	17	17
Catering	-	20	20
Other support costs	-	76	76
	-	1,344	1,344
	-	<u>3,309</u>	<u>3,309</u>

7. GOVERNANCE COSTS

	£'000
Auditors' remuneration	8
Legal and professional	<u>40</u>
	<u>48</u>

8. DIRECTORS' REMUNERATION AND BENEFITS

The Headteacher only receives remuneration in respect of the service he provides undertaking the role of Headteacher and not in respect of his service as Director. Other Directors did not receive any payments from the Academy in respect of their role as Directors. The remuneration (including pensions) received in the period amounted to:

Name	2014 Amount
S Morris (Headteacher)	£55,000 - £60,000 (6 months)

Directors' expenses

There were no Directors' expenses paid for the period ended 31 August 2014.

Related party transactions involving the Directors are set out in note 20.

ESHER LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014**

9. STAFF COSTS

	£'000
Wages and salaries	1,904
Social security costs	132
Other pension costs	<u>317</u>
	2,353
Supply teacher costs	<u>88</u>
	<u>2,441</u>

The average number of persons (including senior management team) employed by the academy trust during the period expressed as full time equivalents was as follows:

Management	9
Teachers	53
Administration and support	<u>72</u>
	<u>134</u>

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

£60,001 - £70,000	1
£70,001 - £80,000	1
£100,001 - £110,000	<u>1</u>
	<u>3</u>

The employees above participated in the Teachers Pension Scheme and Local Government Scheme. During the period to 31 August 2014, pension contributions for these members of staff amounted to £19,309.

Included in wages and salaries are non- contractual severance payments totalling £19,000. This was two payments made to staff members. one totalling £11,000 and the other £8,000.

10. TRANSFER ON CONVERSION

	Unrestricted funds £'000	Restricted funds £'000	2014 Total £'000
Tangible Fixed Assets			
Leasehold land and buildings	-	24,589	24,589
Fixed assets	-	54	54
Budget surplus on LA funds	715	-	715
Budget Surplus on school fund	58	-	58
LGPS pension deficit	<u>-</u>	<u>(1,342)</u>	<u>(1,342)</u>
Net assets	<u>773</u>	<u>23,301</u>	<u>24,074</u>

The above net assets includes £773k that was transferred as cash.

11. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors 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 period ended 31 August 2014 cannot be ascertained as it is included with all insurance.

ESHER LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014**

12. CENTRAL SERVICES

Whilst Esher Learning Trust has been set up as a Multi Academy Trust there is currently only one school, Esher Church of England High School. Therefore no central costs were provided by the trust to the academy during the period and no central charges arose.

13. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £'000	Fixtures and fittings £'000	Totals £'000
COST			
Transfer on conversion	24,589	54	24,643
Additions	<u>-</u>	<u>47</u>	<u>47</u>
At 31 August 2014	<u>24,589</u>	<u>101</u>	<u>24,690</u>
 DEPRECIATION			
Charge for year	<u>166</u>	<u>15</u>	<u>181</u>
 NET BOOK VALUE			
At 31 August 2014	<u>24,423</u>	<u>86</u>	<u>24,509</u>

Included within leasehold land and buildings is land valued at £16,283,000 which is not depreciated.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£'000
Trade debtors	275
Other debtors	167
VAT	106
Prepayments and accrued income	<u>57</u>
	<u>605</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£'000
Trade creditors	115
Social security and other taxes	79
Other creditors	73
Accruals and deferred income	<u>236</u>
	<u>503</u>

Deferred Income

	2014 £'000
Deferred income at 1 September 2014	-
Resources deferred in the year	37
Amounts released from previous years	<u>-</u>
Deferred income at 31 August 2014	<u>37</u>

At the balance sheet date the academy trust was holding funds received in advance for trips taking place after the year end.

ESHER LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset fund £'000	2014 Total funds £'000
Fixed assets	-	-	24,509	24,509
Current assets	812	600	-	1,412
Current liabilities	-	(503)	-	(503)
Pension liability	-	(1,707)	-	(1,707)
	<u>812</u>	<u>(1,610)</u>	<u>24,509</u>	<u>23,711</u>

17. MOVEMENT IN FUNDS

	Incoming Resources £'000	Resources Expended £'000	Gains, Losses and Transfers £'000	31 August 2014 £'000
Restricted General Funds				
General Annual Grant (GAG)	2,672	(2,730)	58	-
Other DfE/ EFA grants	117	(117)	-	-
Start Up Grant	25	(25)	-	-
Local Authority Grant	277	(180)	-	97
Trips	97	(97)	-	-
Non Government Grants	1	(1)	-	-
	<u>3,189</u>	<u>(3,150)</u>	<u>58</u>	<u>97</u>
Restricted Fixed Asset Funds				
General Fixed Assets	-	(8)	47	39
Assets Transferred from predecessor academy	24,643	(173)	-	24,470
	<u>24,643</u>	<u>(181)</u>	<u>47</u>	<u>24,509</u>
Pension Reserve	<u>(1,342)</u>	<u>(26)</u>	<u>(339)</u>	<u>(1,707)</u>
Total Restricted Funds	<u>26,490</u>	<u>(3,357)</u>	<u>(234)</u>	<u>22,899</u>
Total Unrestricted Funds	<u>917</u>	<u>-</u>	<u>(105)</u>	<u>812</u>
Total Funds	<u>27,407</u>	<u>(3,357)</u>	<u>-</u>	<u>23,711</u>

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

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 2014.

Other DfE/EFA grants: This includes the pupil premium, summer school and the devolved formula capital grant.

LA and other grants: This includes SEN funding, rates relief and assistance for building expenditure and additional pupil premium received from the Local Authority.

ESHER LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014**

17. MOVEMENT IN FUNDS - continued

Other Non Government: This is a grant received to assist with PGCE students.

The transfer of funds relate to the purchase of fixed assets during the period.

18. PENSION COMMITMENTS

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

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

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

Teachers' pension scheme

Introduction

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

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

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, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

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.

ESHER LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014

18. PENSION COMMITMENTS – continued

Teachers' Pension Scheme - continued

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 on 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 that 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.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it 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 has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £179k, of which employer's contributions totalled £141k and employees' contributions totalled £38k.

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 of Education. The guarantee came into force on 18 July 2013.

Principle Actuarial assumptions:

	At 31 August 2014
	%
Rate of increase in salaries	4.0
Rate of increase for pensions in payment / inflation	2.7
Discount rate for scheme liabilities	3.7
Inflation assumption (CPI)	2.8
Commutation of pensions to lump sums	50.0

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

	At 31 August 2014
Retiring in 20 years	
Males	24.5
Females	26.9
Retiring today	
Males	22.5
Females	24.6

ESHER LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 12 DECEMBER 2013 TO 31 AUGUST 2014**

18. PENSION COMMITMENTS - continued

Local government pension scheme - continued

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

	Expected return at 31 August 2014	Value at 31 August 2014
	%	£'000
Equities	6.3	819
Bonds	3.2	181
Property	4.5	53
Cash	3.3	<u>11</u>
Total market value of assets		1,064
Present value of scheme liabilities		<u>(2,771)</u>
Funded		
Deficit in the scheme		<u>(1,707)</u>

The return on the fund (on a bid value to bid value basis) for the period to 31 August 2014 is estimated to be 5.7%. This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on scheme assets was £27k.

Amounts recognised in the statement of financial activities

	2014 £000
Current service cost (net of employee contributions)	145
Past service costs	<u>-</u>
Total Operating Charge	<u>145</u>
Analysis of pension finance income/ (costs)	
Expected return on pension scheme assets	27
Interest on pension liabilities	<u>(49)</u>
Pension finance income/ (costs)	<u>(22)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £339k loss.

Movements in the present value of defined obligations were as follows:

	2014 £'000
At 1 March 2014	2,170
Current service cost	145
Interest cost	49
Employee contributions	38
Actuarial loss / (gain) on Scheme liabilities	<u>369</u>
At 31 August 2014	<u>2,771</u>

ESHER LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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18. PENSION COMMITMENTS - continued

Local government pension scheme - continued

Movement in the fair value of academy's share of Scheme assets:

	2014
	£000
At 1 March 2014	828
Expected return on assets	27
Actuarial gain/(loss)	30
Employer contributions	38
Employee contributions	<u>141</u>
At 31 August 2014	<u>1,064</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £274k.

The five-year history of experience adjustments is as follows:

	31 August 2014 £'000	1 March 2014 £'000
Present value of defined benefit obligations	(2,771)	(2,170)
Fair value of share of scheme assets	<u>1,064</u>	<u>828</u>
	<u>(1,707)</u>	<u>(1,342)</u>

Experience adjustments on share of scheme assets:

Amount £000	30	-
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Experience adjustments on scheme liabilities:

Amount £000	-	-
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19. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

ESHER LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
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20. RELATED PARTY DISCLOSURES

Owing to the nature of the Academy's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, it is inevitable that transactions may take place with organisations in which a member of the Board of Directors may have 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.

During the year the academy invoiced £17,944, for services provided to run training courses and for completion of the finance and administrative role, to Track Ed a 100% owned subsidiary. At the year end the subsidiary owed the academy £22,650.

The academy also invoiced £2,025 to Surrey Teaching Schools Network (STSN), S Morris and A Edwards, directors of the academy are also directors of STSN. No amounts were due at the year end.

The Esher Church of England Trust Fund, a registered charity, who shares Trustees with the Academy paid £6,000 to the academy towards the library.

The academy has made the above transactions at arm's length. In entering into the transactions the academy has complied with the requirements of the EFA's Academies Financial Handbook.

21. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one period after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

22. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	£'000
Net incoming resources	24,050
Depreciation charges	181
Transfer from Local Authority on conversion	(23,247)
Assets transferred from the predecessor	(54)
Increase in stocks	(6)
Increase in debtors	(605)
Increase in creditors	503
Difference between pension charge and cash contributions	<u>26</u>
Net cash inflow from operating activities	<u>848</u>

23. ANALYSIS OF CASH FLOWS HEADINGS

	£'000
Capital expenditure and financial investment	
Purchase of tangible fixed assets	<u>(47)</u>
Net cash outflow for capital expenditure and financial investment	<u>(47)</u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 31 August 2013 £'000	Cash flow £'000	At 31 August 2014 £'000
Net cash:			
Cash in hand	-	801	801
	<u> </u>	<u> </u>	<u> </u>
Total	<u>-</u>	<u>801</u>	<u>801</u>