

FULBROOK ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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FULBROOK ACADEMY
(A company limited by guarantee)

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FULBROOK ACADEMY

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members (Trustees and Governors)

Lindsay Smith¹
Vincent Mulligan¹
Michael Kitt
Angela Evans

Other governors

Gary Botsford (resigned 2 October 2014)¹
Stephen Cardwell, Principal and Accounting Officer¹
Fiona Chapman¹
Jane Crabbe (resigned 5 December 2013)
Nik Hartley¹
Sally Hartley
Rosemary Robson-Green¹
Simon Thomas, Staff Governor (resigned 5 December 2013)¹
Fiona Bishop, Staff Governor
Vanessa Harris (appointed 20 November 2013)
Christopher Curran (appointed 20 November 2013, resigned 5 December 2013)
Amanda Knibb (appointed 20 November 2013)
Kelly Glass, Staff Governor (appointed 21 May 2014)

¹ Finance, Staffing and Estates Committee

Company registered number

07695419

Principal and registered office

Weathercock Lane
Milton Keynes
MK17 8NP

Company secretary

Linda Diaby

Senior management team

Stephen Cardwell, Headteacher
John Durno, Deputy Headteacher
Samantha Clancy, Assistant Headteacher
Linda Diaby, Business Manager

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Independent auditor

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

Bankers

Lloyds Bank Plc
Lloyds Court
28 Secklow Gate West
Milton Keynes
Buckinghamshire
MK9 3EH

Solicitors

Schofield Sweeney LLP
Church Bank House
Church Bank
Bradford
West Yorkshire
BD1 4DY

FULBROOK ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their annual report together with the financial statements and auditors' 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 9 to 13 serving a catchment area in Woburn Sands. It has a pupil capacity of 440 and had a roll of 431 in the school census on 2 October 2014.

Structure, governance and management

CONSTITUTION

Fulbrook Academy (the Academy Trust) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

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

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £187.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

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

The number of Governors shall not be less than three.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

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

During the year, Governors are offered all necessary training.

FULBROOK ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

ORGANISATIONAL STRUCTURE

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

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

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

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

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

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

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

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

There are no connected organisations or related party relationships.

RISK MANAGEMENT

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

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

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

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

FULBROOK ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and Activities

OBJECTS AND AIMS

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

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

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

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

OBJECTIVES, STRATEGIES AND ACTIVITIES

The School's objectives for the year ending 31 August 2014 were to deliver excellent levels of achievement and progress for all pupils, to be committed to providing life changing opportunities and inspiration for all children and for Fulbrook to be the school of choice for the local community.

Student roll – the total number on roll for the year 1 September 2013 to 31 August 2014 was 416.

Admissions – the Academy admitted 116 in September 2013 (Pupil Admission Number 110).

Attendance – the pupil attendance level achieved for the period was 96.22%.

Permanent exclusions – the aim is to have permanent exclusions only in exceptional circumstances. The School had no permanent exclusions during the period from 1 September 2013 to 31 August 2014.

Staffing – the average number of (Full Time Equivalent) staff employed during the period 1 September 2013 to 31 August 2014 was 42.77.

PUBLIC BENEFIT

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Group strategic report

Achievements and performance

ACHIEVEMENTS AND PERFORMANCE

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

1. Results showing year on year comparison for Key Stage 2 from 2012 to 2014:

Level 4+	Fulbrook 2014 Results	2014 FFT B Estimates	Fulbrook 2013 Results	Fulbrook 2012 Results	2014 National Results
English Reading	88%	87%	92%	N/A	89%
English Writing	88%	87%	89%	N/A	85%
Maths	86%	84%	95%	90%	86%
Level 5	Fulbrook 2014 Results	2014 FFT B Estimates	Fulbrook 2013 Results	Fulbrook 2012 Results	2014 National Results
English Reading	57%	38%	56%	N/A	50%
English Writing	26%	38%	30%	N/A	33%
Maths	48%	44%	59%	48%	42%

(FFT B estimates show the % of pupils who should achieve a Level 4 or Level 5 if the Fulbrook pupils make the same progress as similar pupils nationally).

2014 Key Stage 2 results are generally around national figures and exceed the FFTB Estimates in five out of the six categories.

2. Results showing year on year comparisons for Key Stage 3 results 2011-2014 summary of Fulbrook's KS3 tests.

	English 5+	English 6+	English 7	Maths 5+	Maths 6+	Maths 7	Science 5+	Science 6+	Science 7
2014	90%	36%	6%	82%	67%	41%	(93%)	(60%)	(8%)
2013	85%	67%	16%	85%	76%	36%	(96%)	(66%)	(5%)
2012	95.5%	62%	17%	94%	76%	45%	90.5%	58.5%	23%
2011	89%	40%	6%	91%	67%	35%	96%	71%	6%
Yr9 national test 2013	86%	55%	17%	84%	62%	32%	85%	56%	20%
Yr9 national test 2012	84%	52%		83%	61%		80%	54%	

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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

There are no science results available. Figures in () are teacher assessment results.

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.

KEY FINANCIAL PERFORMANCE INDICATORS

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

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

2014 Key Stage 2 results are generally around national figures and exceed the FFTB Estimates in five out of six categories.

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

Other key performance indicators include:

- Pupil attendance levels are regularly at over 95%
- Pupil numbers have risen steadily from 278 in 2007 to 431 in October 2014.

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

The Academy Trust considers staff costs as a percentage of government funding to be a key performance indicator. For 2014 this was 82.1% (2013 - 78.1%). The surplus/deficit for the period, excluding restricted fixed asset funds is reviewed as a percentage of income and the 2014 was 0.9% (2013 - 0.9%).

INVESTMENT POLICY AND PERFORMANCE

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

Financial review

Fulbrook Academy has received the majority of its income from the Education Funding Agency (£1,688,699). The balance of income over expenditure (excluding restricted fixed asset funds) resulted in a surplus of £33,715.

FULBROOK ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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

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

The principal financial management policies adopted in the year are:

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

Reserves carried forward at 31 August 2014 will be utilised as part of the medium and long term plans of the School to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the site and facilities.

The Academy Trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard 17. A deficit has been recognised at 31 August 2014. Future contribution rates are adjusted in accordance with the three yearly actuary recommendations to reduce this deficit.

RESERVES POLICY

At 31 August 2014 the total funds comprised:

Unrestricted		£52,221
Restricted:	Fixed asset funds	£2,935,944
	GAG	£4,015
	Pension reserve	£(310,000)
	Other	£17,484
Total		£2,699,664

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the Teachers Pension Scheme, separate assets are held to fund future liabilities as discussed in note 23. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the academy, at the discretion of the governors. The aim of the governors is to increase this reserve to meet future working capital requirements.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Key controls in place are:

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

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

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by Senior Leadership Team.

MATERIAL INVESTMENTS POLICY

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

Plans for future periods

FUTURE DEVELOPMENTS

The aim is by 2016 to be an outstanding school delivering excellent levels of achievement and progress for all pupils. The School will be committed to providing life changing opportunities and inspiration for all children. Fulbrook will be the school of choice and a focal point for the local community.

Objectives for the 2014-2015 year include:

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

FULBROOK ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Plans for the 2014-2015 year include:

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

A number of senior staff and Governors act as Trustees of the Fulbrook Academy School Fund, a charity registered with the Charity Commission, registration number 1078786. This charity undertakes a number of fundraising events for specific educational projects, and manages donations in respect of educational field trips. As the School Fund is under the control of Governors and staff of the Academy Trust's financial statements.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

DISCLOSURE OF INFORMATION TO AUDITOR

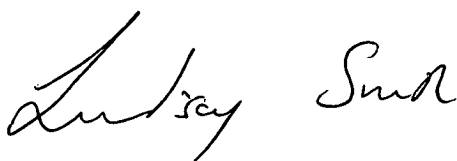
In so far as the trustees are aware:

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

AUDITOR

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

This report, incorporating the strategic report, was approved by order of the board of governors, as the company directors, on 28 November 2014 and signed on the board's behalf by:



Lindsay Smith
Chair of Trustees

FULBROOK ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of governors has formally met 6 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Lindsay Smith	5	6
Vincent Mulligan	4	6
Michael Kitt	3	6
Angela Evans	5	6
Gary Botsford	6	6
Stephen Cardwell, Principal and Accounting Officer	6	6
Fiona Chapman	3	6
Jane Crabbe	2	2
Nik Hartley	5	6
Sally Hartley	4	6
Rosemary Robson-Green	3	6
Simon Thomas, Staff Governor	1	2
Fiona Bishop, Staff Governor	6	6
Vanessa Harris	5	5
Christopher Curran	2	2
Amanda Knibb	4	5
Kelly Glass, Staff Governor	2	2

There are currently three vacancies in the Governing Body, one parent governor and two appointed governors. One of the appointed governor vacancies is about to be filled and there will be active recruitment for the other two vacancies following October half term.

Governance reviews:

Following the recent Ofsted inspection, a governance self-evaluation is due to be completed in the Autumn term followed by an external review of governance as defined by the National College for Teaching and Leadership.

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

Attendance at meetings in the year was as follows:

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GOVERNANCE STATEMENT (continued)

Governor	Meetings attended	Out of a possible
Vincent Mulligan (Committee Chair)	5	6
Lindsay Smith	6	6
Gary Botsford (resigned 2 October 2014)	4	6
Fiona Chapman	1	6
Nik Hartley	3	6
Rosemary Robson-Green	4	6
Amanda Knibb	4	6
Stephen Cardwell (Principal and Accounting Officer)	6	6
Simon Thomas (resigned 5 December 2013)	0	2

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

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Fiona Bishop	6	6
Lindsay Smith	5	6
Sally Hartley	2	6
Michael Kitt	0	6
Stephen Cardwell (Principal and Accounting Officer)	6	6
Vanessa Harris	4	6
Jane Crabbe (appointed 21 May 2014)	1	2
Kelly Glass (appointed 21 May 2014)	1	1
Christopher Curran (resigned 6 February 2014)	0	3

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Fulbrook Academy for the year 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 governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 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 governors.

THE RISK AND CONTROL FRAMEWORK

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

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GOVERNANCE STATEMENT (continued)

In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the Finance, Staffing and Estates Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Charlotte Lockley, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the RO reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

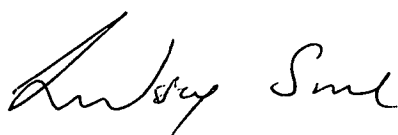
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 and 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 governors on 28 November 2014 and signed on its behalf, by:



Lindsay Smith
Chair of Trustees



Stephen Cardwell
Accounting Officer

FULBROOK ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Fulbrook Academy I have considered my responsibility to notify the academy board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy board of governors are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2013).

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



Stephen Cardwell
Accounting Officer

Date: 4th December 2014

FULBROOK ACADEMY

(A company limited by guarantee)

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

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

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

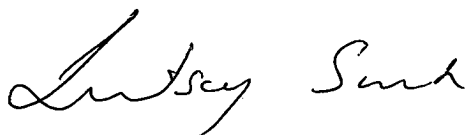
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the board of governors on 28 November 2014 and signed on its behalf by:



Lindsay Smith
Chair of Trustees

FULBROOK ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF FULBROOK ACADEMY

We have audited the financial statements of Fulbrook Academy for the year ended 31 August 2014 which comprise the group Statement of financial activities, the group and academy Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable academy's affairs as at 31 August 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

FULBROOK ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF FULBROOK ACADEMY


OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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



Elaine Olson-Williams FCCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date:

8 Dec 2014

FULBROOK ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 10 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Fulbrook Academy during the year 1 September 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 Fulbrook Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Fulbrook Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fulbrook Academy and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Fulbrook Academy's funding agreement with the Secretary of State for Education dated 1 March 2012, and the Academies Financial Handbook extant from 1 September 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 2013 to 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 year 1 September 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 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, and testing as appropriate,

FULBROOK ACADEMY
(A company limited by guarantee)

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

- and making appropriate enquiries of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 8 Feb 2014

FULBROOK ACADEMY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary Income	3	32	151,822	-	151,854	191,730
Activities for generating funds	4	29,190	-	-	29,190	29,004
Investment income	5	233	-	-	233	265
Incoming resources from charitable activities	6	-	1,801,680	93,702	1,895,382	1,619,298
TOTAL INCOMING RESOURCES		29,455	1,953,502	93,702	2,076,659	1,840,297
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income		-	146,041	-	146,041	161,956
Fundraising trading		12,264	-	-	12,264	12,500
Charitable activities	8	-	1,783,737	160,067	1,943,804	1,801,569
Governance costs	9	-	7,200	-	7,200	7,000
TOTAL RESOURCES EXPENDED	7	12,264	1,936,978	160,067	2,109,309	1,983,025
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		17,191	16,524	(66,365)	(32,650)	(142,728)

FULBROOK ACADEMY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	17	-	(15,846)	15,846	-	-
NET EXPENDITURE FOR THE YEAR		17,191	678	(50,519)	(32,650)	(142,728)
Actuarial gains and losses on defined benefit pension schemes		-	(74,000)	-	(74,000)	3,000
NET MOVEMENT IN FUNDS FOR THE YEAR		17,191	(73,322)	(50,519)	(106,650)	(139,728)
Total funds at 1 September 2013		35,030	(196,179)	2,967,463	2,806,314	2,946,042
TOTAL FUNDS AT 31 AUGUST 2014		52,221	(269,501)	2,916,944	2,699,664	2,806,314

All activities relate to continuing operations.

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

The notes on pages 26 to 45 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	2013 £
FIXED ASSETS				
Tangible assets	14		2,916,163	2,967,463
CURRENT ASSETS				
Debtors	15	124,903		61,414
Cash at bank and in hand		114,703		55,023
		<u>239,606</u>		<u>116,437</u>
CREDITORS: amounts falling due within one year	16	<u>(146,105)</u>		<u>(47,586)</u>
NET CURRENT ASSETS			<u>93,501</u>	<u>68,851</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,009,664</u>	<u>3,036,314</u>
Defined benefit pension scheme liability	23		<u>(310,000)</u>	<u>(230,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>2,699,664</u></u>	<u><u>2,806,314</u></u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted funds	17	21,499		33,821
Restricted fixed asset funds	17	2,935,944		2,967,463
		<u>2,957,443</u>		<u>3,001,284</u>
Restricted funds excluding pension liability				
Pension reserve		<u>(310,000)</u>		<u>(230,000)</u>
Total restricted funds			<u>2,647,443</u>	<u>2,771,284</u>
Unrestricted funds	17		<u>52,221</u>	<u>35,030</u>
TOTAL FUNDS			<u><u>2,699,664</u></u>	<u><u>2,806,314</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 28 November 2014 and are signed on their behalf, by:


Lindsay Smith
Chair of Trustees


Vincent Mulligan
Trustee

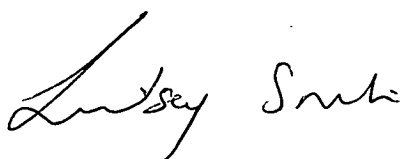
The notes on pages 26 to 45 form part of these financial statements.

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

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		2,916,163		2,967,463
CURRENT ASSETS					
Debtors	15	121,948		60,614	
Cash at bank and in hand		99,204		23,396	
		<u>221,152</u>		<u>84,010</u>	
CREDITORS: amounts falling due within one year	16	<u>(145,195)</u>		<u>(45,978)</u>	
NET CURRENT ASSETS			<u>75,957</u>		<u>38,032</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,992,120</u>		<u>3,005,495</u>
Defined benefit pension scheme liability	23		<u>(310,000)</u>		<u>(230,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>2,682,120</u></u>		<u><u>2,775,495</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	(15,044)		3,001	
Restricted fixed asset funds	17	2,955,068		2,967,463	
		<u>2,940,024</u>		<u>2,970,464</u>	
Restricted funds excluding pension asset					
Pension reserve		<u>(310,000)</u>		<u>(230,000)</u>	
Total restricted funds			<u>2,630,024</u>		<u>2,740,464</u>
Unrestricted funds	17		<u>52,096</u>		<u>35,031</u>
TOTAL FUNDS			<u><u>2,682,120</u></u>		<u><u>2,775,495</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 28 November 2014 and are signed on their behalf, by:



Lindsay Smith
Chair of Trustees



Vincent Mulligan
Trustee

The notes on pages 26 to 45 form part of these financial statements.

FULBROOK ACADEMY
(A company limited by guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	20	168,214	170,251
Returns on investments and servicing of finance	21	233	265
Capital expenditure and financial investment	21	(108,767)	(256,054)
INCREASE/(DECREASE) IN CASH IN THE YEAR		59,680	(85,538)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	2014 £	2013 £
Increase/(Decrease) in cash in the year	59,680	(85,538)
MOVEMENT IN NET FUNDS IN THE YEAR	59,680	(85,538)
Net funds at 1 September 2013	55,023	140,561
NET FUNDS AT 31 AUGUST 2014	114,703	55,023

The notes on pages 26 to 45 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

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

1.2 Going concern

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

1.3 Incoming resources

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

Grants receivable

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

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

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy 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's policies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

Donations

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

Other income

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

1.4 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Basis of consolidation

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

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

1.6 Tangible fixed assets and depreciation

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

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

1.7 Operating leases

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

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

1.8 Taxation

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

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

1.10 School fund

The school fund is under the control of the academy trust by virtue of common governance. Its remits for the year and its assets and liabilities at 31 August 2014 have therefore been consolidated into these financial statements.

1.11 Fund accounting

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

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

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

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

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2014.

FULBROOK ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

3. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	32	31,892	31,924	15,771
School funds	-	119,930	119,930	175,959
	<u>32</u>	<u>151,822</u>	<u>151,854</u>	<u>191,730</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Hire of facilities	25,950	-	25,950	27,084
Other income	3,240	-	3,240	1,920
	<u>29,190</u>	<u>-</u>	<u>29,190</u>	<u>29,004</u>

5. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest receivable	233	-	233	265
	<u>233</u>	<u>-</u>	<u>233</u>	<u>265</u>

FULBROOK ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General annual grant (GAG)	-	1,624,119	1,624,119	1,490,279
Pupil premium	-	64,580	64,580	27,357
Capital grants	-	93,702	93,702	4,184
	-	1,782,401	1,782,401	1,521,820
Other government grants				
Special educational needs	-	102,861	102,861	82,702
Other government grants	-	9,105	9,105	14,776
Other income	-	1,015	1,015	-
	-	112,981	112,981	97,478
	-	1,895,382	1,895,382	1,619,298

7. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Costs of generating voluntary income	-	-	146,041	146,041	161,956
Fundraising expenses	-	-	12,264	12,264	12,500
Costs of generating funds	-	-	158,305	158,305	174,456
Direct costs	1,320,867	-	78,752	1,399,619	1,327,390
Support costs	235,992	76,353	231,840	544,185	473,669
Academy's educational operations	1,556,859	76,353	310,592	1,943,804	1,801,059
Governance	-	-	7,200	7,200	7,000
	1,556,859	76,353	476,097	2,109,309	1,982,515

FULBROOK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

8. CHARITABLE ACTIVITIES

	Total funds 2014 £	Total funds 2013 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,080,159	1,012,490
National insurance	77,738	72,549
Pension cost	162,970	168,203
Educational supplies	58,005	54,847
Staff development	18,826	7,817
Recruitment costs	1,921	3,484
	<u>1,399,619</u>	<u>1,319,390</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	187,464	155,696
National insurance	9,308	9,187
Pension cost	39,220	7,000
Depreciation	155,897	157,181
Pension income	4,000	8,000
Insurance	22,535	8,806
Technology costs	12,907	13,022
Maintenance of premises and equipment	24,097	31,644
Cleaning	2,167	1,856
Rent and rates	9,693	8,906
Light and heat	17,861	19,865
Security and transport	74	1,131
Catering	20,991	19,758
Office overheads	8,148	3,586
Legal and professional fees	24,614	36,005
Loss on disposal of fixed assets	4,170	510
Other costs	1,039	26
	<u>544,185</u>	<u>482,179</u>
	<u><u>1,943,804</u></u>	<u><u>1,801,569</u></u>

9. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Governance Auditors' remuneration	-	7,200	7,200	7,000
	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>7,000</u>

FULBROOK ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned by the charitable group	155,897	157,181
Auditor's remuneration	7,200	7,000
Operating lease rentals - other	3,608	3,608
	<u>166,705</u>	<u>167,789</u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	1,258,233	1,166,638
Social security costs	87,046	81,736
Other pension costs (Note 23)	202,190	175,203
	<u>1,547,469</u>	<u>1,423,577</u>
Supply teacher costs	9,390	5,048
	<u>1,556,859</u>	<u>1,428,625</u>

b. Staff numbers

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

	2014 No.	2013 No.
Teachers	22	16
Administration and support	13	19
Management	7	3
	<u>42</u>	<u>38</u>

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £70,001 - £80,000	1	1

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FOR THE YEAR ENDED 31 AUGUST 2014

11. STAFF (continued)

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these members of staff amounted to £10,577 (2013 - £11,163).

12. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration, being gross salary plus employers pension contributions, fell within the following bands:

	2014	2013
	£	£
S Cardwell - Headteacher and Governor	80,000-85,000	85,000-90,000
Staff Governor 1	15,000-20,000	15,000-20,000
Staff Governor 2	10,000-15,000	45,000-50,000
Staff Governor 3	5,000-10,000	

During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

13. 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 £187 (2013 - £176). The cost of this insurance is included in the total insurance cost.

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14. TANGIBLE FIXED ASSETS

Group and academy	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2013	3,053,366	15,595	53,601	84,493	3,207,055
Additions	62,548	23,736	1,121	22,442	109,847
Disposals	-	(10,295)	-	(4,548)	(14,843)
At 31 August 2014	3,115,914	29,036	54,722	102,387	3,302,059
Depreciation					
At 1 September 2013	171,820	7,341	18,479	41,952	239,592
Charge for the year	124,202	5,003	10,907	15,785	155,897
On disposals	-	(6,292)	-	(3,301)	(9,593)
At 31 August 2014	296,022	6,052	29,386	54,436	385,896
Net book value					
At 31 August 2014	2,819,892	22,984	25,336	47,951	2,916,163
At 31 August 2013	2,881,546	8,254	35,122	42,541	2,967,463

15. DEBTORS

	Group		Academy	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	6,325	5,225	6,325	5,225
VAT recoverable	10,863	8,739	10,863	8,739
Other debtors	-	1,007	-	1,007
Prepayments and accrued income	107,715	46,443	104,760	45,643
	124,903	61,414	121,948	60,614

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

16. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	30,512	-	30,512	-
Other taxation and social security	27,145	25,785	27,145	25,785
Other creditors	311	71	311	71
Accruals and deferred income	88,137	21,730	87,227	20,122
	<u>146,105</u>	<u>47,586</u>	<u>145,195</u>	<u>45,978</u>

	<u>Group</u>	<u>Academy</u>
	£	£
Deferred income		
Deferred income at 1 September 2013	10,066	10,066
Resources deferred during the year	15,116	14,206
Amounts released from previous years	(10,066)	(10,066)
Deferred income at 31 August 2014	<u>15,116</u>	<u>14,206</u>

Deferred income relates primarily to GAG funding.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Rental	31,087	25,950	(12,264)	-	-	44,773
Donations	349	32	-	-	-	381
Other	3,594	3,473	-	-	-	7,067
	<u>35,030</u>	<u>29,455</u>	<u>(12,264)</u>	<u>-</u>	<u>-</u>	<u>52,221</u>
Restricted funds						
General Annual Grant (GAG)	2,958	1,624,118	(1,607,215)	(15,846)	-	4,015
Other DfE/EFA grants	44	9,105	(9,105)	-	-	44
Local authority grants	-	102,861	(102,861)	-	-	-
Miscellaneous restricted	-	1,015	(1,175)	-	-	(160)
School fund	30,819	119,930	(133,205)	-	-	17,544
Pupil Premium	-	64,580	(64,580)	-	-	-
Restricted donations	-	12,893	(12,837)	-	-	56
Pension reserve	(230,000)	-	(6,000)	-	(74,000)	(310,000)
	<u>(196,179)</u>	<u>1,934,502</u>	<u>(1,936,978)</u>	<u>(15,846)</u>	<u>(74,000)</u>	<u>(288,501)</u>
Restricted fixed asset funds						
DfE/EFA capital grants	246,872	93,702	(21,686)	-	-	318,888
Capital expenditure from GAG	17,560	-	(2,374)	17,556	-	32,742
Capital expenditure from other funds	-	19,000	(2,296)	(630)	-	16,074
Transfer from LA	2,703,031	-	(133,711)	(1,080)	-	2,568,240
	<u>2,967,463</u>	<u>112,702</u>	<u>(160,067)</u>	<u>15,846</u>	<u>-</u>	<u>2,935,944</u>
Total restricted funds	<u>2,771,284</u>	<u>2,047,204</u>	<u>(2,097,045)</u>	<u>-</u>	<u>(74,000)</u>	<u>2,647,443</u>
Total of funds	<u>2,806,314</u>	<u>2,076,659</u>	<u>(2,109,309)</u>	<u>-</u>	<u>(74,000)</u>	<u>2,699,664</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

17. STATEMENT OF FUNDS (continued)

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

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

Restricted fixed asset funds amounting to £2,916,163 will be reserved against future depreciation charges, and the remainder relates to unspent capital grants which will be utilised to enhance the Academy's facilities.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	2,916,163	2,916,163	2,967,463
Current assets	52,221	167,604	19,781	239,606	116,437
Creditors due within one year	-	(146,105)	-	(146,105)	(47,586)
Provisions for liabilities and charges	-	(310,000)	-	(310,000)	(230,000)
	<u>52,221</u>	<u>(288,501)</u>	<u>2,935,944</u>	<u>2,699,664</u>	<u>2,806,314</u>

19. MEMBERS' LIABILITY

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before transfers	(32,650)	(142,728)
Returns on investments and servicing of finance	(233)	(265)
Depreciation of tangible fixed assets	155,897	157,181
Deficit on disposal of tangible fixed assets	4,170	509
(Increase)/decrease in debtors	(63,489)	153,838
Increase/(decrease) in creditors	98,519	(5,284)
FRS 17 adjustments	6,000	7,000
Net cash inflow from operations	168,214	170,251

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	233	265
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(109,847)	(256,054)
Sale of tangible fixed assets	1,080	-
Net cash outflow capital expenditure	(108,767)	(256,054)

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	31 August 2014 £
Cash at bank and in hand:	55,023	59,680	114,703
Net funds	55,023	59,680	114,703

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

23. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

23. PENSION COMMITMENTS (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 from 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 reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting 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 group is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the group 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 group has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £103,000, of which employer's contributions totalled £82,000 and employees' contributions totalled £21,000. The agreed contribution rates for future years are 22.8% for employers and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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

The group'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 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.30	387,000	6.60	293,000
Bonds	3.30	107,000	4.00	80,000
Property	4.50	50,000	4.70	34,000
Cash	3.30	17,000	3.60	13,000
Total market value of assets		<u>561,000</u>		<u>420,000</u>
Present value of scheme liabilities		<u>(871,000)</u>		<u>(650,000)</u>
(Deficit)/surplus in the scheme		<u><u>(310,000)</u></u>		<u><u>(230,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(871,000)	(650,000)
Fair value of scheme assets	<u>561,000</u>	<u>420,000</u>
Net liability	<u><u>(310,000)</u></u>	<u><u>(230,000)</u></u>

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

	2014 £	2013 £
Interest on obligation	(32,000)	(23,000)
Expected return on scheme assets	28,000	15,000
Current service cost	<u>(84,000)</u>	<u>(64,000)</u>
Total	<u><u>(88,000)</u></u>	<u><u>(72,000)</u></u>
Actual return on scheme assets	<u><u>53,000</u></u>	<u><u>34,000</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

23. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening defined benefit obligation	650,000	530,000
Interest cost	32,000	23,000
Contributions by scheme participants	21,000	17,000
Actuarial losses	85,000	16,000
Benefits paid	(1,000)	-
Current service cost	84,000	64,000
	<u>871,000</u>	<u>650,000</u>
Closing defined benefit obligation	<u>871,000</u>	<u>650,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	420,000	304,000
Expected return on assets	28,000	15,000
Actuarial gains	11,000	19,000
Contributions by employer	82,000	65,000
Contributions by employees	21,000	17,000
Benefits paid	(1,000)	-
	<u>561,000</u>	<u>420,000</u>
Closing fair value of scheme assets	<u>561,000</u>	<u>420,000</u>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of Financial Activities was £87,000 losses (2013 - £13,000 losses).

The group expects to contribute £76,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.40 %	5.90 %
Rate of increase in salaries	3.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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23. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	22.4	21.6
Females	24.3	23.2
Retiring in 20 years		
Males	24.4	23.6
Females	26.8	25.6

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

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(871,000)	(650,000)	(530,000)
Scheme assets	561,000	420,000	304,000
Deficit	(310,000)	(230,000)	(226,000)
Experience adjustments on scheme liabilities	(42,000)	(16,000)	-
Experience adjustments on scheme assets	11,000	19,000	(6,000)

24. OPERATING LEASE COMMITMENTS

At 31 August 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Group	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Between 2 and 5 years	-	-	3,068	3,068

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Academy	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Between 2 and 5 years	-	-	3,068	3,068

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NOTES TO THE FINANCIAL STATEMENTS
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25. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account.

26. COMPANY LIMITED BY GUARANTEE

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