

# REGISTRAR OF COMPANIES

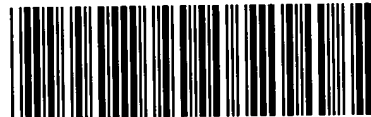
## The Eden Academy

### Annual Report and Financial Statements

31 August 2015

Company Limited by Guarantee  
Registration Number  
08036395 (England and Wales)

FRIDAY



\*A4MIS7YW\*

A33

18/12/2015

#404

COMPANIES HOUSE

**The Eden Academy**  
**Contents**

**Reports**

Reference and administrative information	1
Directors' report	3
Governance statement	14
Statement of Regularity, propriety and compliance	20
Statement of Directors' responsibilities	21
Independent auditor's report on the financial statements	22
Independent accountant's report on regularity	24

**Financial statements**

Statement of financial activities	26
Balance sheet	27
Cash flow statement	28
Principal accounting policies	29
Notes to the financial statements	34

**The Eden Academy**  
**Reference and administrative information**

**Members**

Susan Douglas (resigned 1 October 2015)  
 Karen Deacon  
 Philip Haigh  
 Collette Stone  
 Angela St John  
 Dennis Goldthorpe (resigned 1 January 2015)  
 Hardip Begol  
 Pamela Stentiford  
 Judith Hemery  
 Barry Nolan

**Directors**

Susan Douglas \* (resigned as Chair 1 October 2015)  
 Karen Deacon (Deputy Chair)  
 Philip Haigh  
 Collette Stone  
 John Ayres (Principal)  
 Angela St John  
 Hardip Begol  
 Pamela Stentiford \*  
 Judith Hemery  
 Barry Nolan\* (Chair with effect from 1 October 2015)  
 Victoria Collis

\* members of the Finance Committee

**Finance & Operations Director and  
 Company Secretary**

Sudhi Pathak  
 Moorcroft School  
 Bramble Close  
 Hillingdon  
 UB8 3BF

**Senior Management Team**

Principal	John Ayres
Chief Executive Officer (CEO)	Susan Douglas
Associate Head of Schools	Hilary McDermott (previously Head of Grangewood School until 1 October 2015)
Head of Grangewood School	Karen Clarke (with effect from 1 October 2015)
Head of Alexandra School	Perdy Buchanon-Barrow
Head of Moorcroft School	Andrew Sanders
Head of RNIB Sunshine House School	Jackie Seaman
Head of Pentland Field School	Audrey Pantelis

**The Eden Academy**  
**Reference and administrative information (continued)**

**Registered address**      Grangewood School  
Fore Street  
Eastcote  
Pinner  
Middlesex  
HA5 2JQ

**Company registration number**      08036395 (England and Wales)

**Auditor**      Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers**      Lloyds Bank plc  
286-288 Station Road  
Harrow  
HA1 2EB

**Solicitors**      TPP Law Ltd  
Enterprise House  
1-2 Hatfields  
London  
SE1 9PG

The Directors of The Eden Academy ('the Academy') present their annual report together with the financial statements and the auditor's report and accountant's report of the charitable company for the year to 31 August 2015. The annual report serves the purposes of a Directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 29 to 33 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005').

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

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

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

### **Members' liability**

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

### **Directors' indemnities**

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 £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £528 (2014 - £975).

### **Principal activities**

The principal activity of The Eden Academy 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 specially organised to deliver special educational provision for pupils with Special Educational Needs ("the Special Academies").

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Principal activities** (continued)

Specifically, The Eden Academy delivers education to pupils with severe learning difficulties in the Local Authority of Hillingdon at Grangewood School, Moorcroft School and Pentland Field School and in the Local Authority of Harrow at Alexandra School. The Eden Academy has a formal alliance with the RNIB Sunshine House School in the Local Authority of Hillingdon.

### **Directors**

The Directors are directors of the charitable company for the purposes of the Companies Act 2006. The following Directors were in office at 31 August 2015 and to date and served throughout the year except where shown.

<b>Directors</b>	<b>Appointed/Resigned</b>	<b>Appointing body</b>
Susan Douglas		Board of Directors
Karen Deacon		Board of Directors
Philip Haigh		Board of Directors
Collette Stone		Board of Directors
John Ayres (Principal)		Board of Directors
Angela St John		Board of Directors
Dennis Goldthorpe	Resigned 1 January 2015	Board of Directors
Hardip Begol		Board of Directors
Pamela Stentiford		Board of Directors
Judith Hemery		Board of Directors
Barry Nolan		Board of Directors
Victoria Collis	Appointed 9 July 2015	Board of Directors

### **Method of recruitment and appointment or election of Directors**

The Eden Academy was formed as a result of the merger of Grangewood School and Moorcroft School in 2012. In the first year of the Academy, it was agreed that the Board of Directors be representational of the two schools including personnel who had previously served on the Governing Bodies of the previous schools. This arrangement was put in place for a year after which it was agreed that a review would be conducted to ascertain whether the skill sets and experience of the initial Board was suitable with the role of a Board of Directors of an Academy.

During the summer term 2013, the Board of Directors undertook a review of governance during which it was decided that a significant restructuring would take place. This was in line with the Board's initial aim. The restructured Board comprises:

- ◆ The Chief Executive Officer;
- ◆ Principal;

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Method of recruitment and appointment or election of Directors** (continued)

- ◆ Grangewood School Local Governing Body (LGB) Representative;
- ◆ Moorcroft School Local Governing Body (LGB) Representative;
- ◆ Alexandra School LGB Representative;
- ◆ Pentland Field LGB Chair; and
- ◆ 5 Additional Directors.

**Policies and procedures adopted for the induction and training of Directors**

The Eden Academy currently has a service level agreement with Hillingdon Local Authority purchasing Governor Support Services allowing Directors to attend training on a range of subjects.

**Organisational structure**

The Academy Trust has appointed a CEO of the Trust, who's role and responsibilities are as follows:

***The role of the CEO***

The CEO is responsible for inspiring and leading the organisation in taking forward its vision, mission, values and strategy in collaboration with Principal, Directors, staff and other stakeholders.

***Strategic Leadership***

To work with the principal, board, staff and other key stakeholders to:

- ◆ Develop the vision, mission and values for The Eden Academy;
- ◆ Set, implement and review strategy for the organisation;
- ◆ Seek new opportunities and partnerships to enrich the work of The Eden Academy and develop its ethos, practices and reputation; and
- ◆ Support the board in determining and identifying the success criteria and KPIs of the Principal.

***Operational and Financial Management***

- ◆ To provide inspirational and clear leadership for all staff at The Eden Academy;
- ◆ To ensure strategies are in place to build and motivate teams and develop their capabilities and performance; and

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Organisational structure** (continued)

*The role of the CEO* (continued)

*Operational and Financial Management* (continued)

- ◆ To ensure that all staff at The Eden Academy understand organisational goals and share a commitment to delivering them; and
- ◆ To ensure that the organisation is in a healthy financial position and manages its finances and resources prudently and effectively.

*Governance*

- ◆ To work in close partnership with the Directors, Principal and Heads of School to ensure clear and robust lines of accountability;
- ◆ To develop and maintain excellent working relations with The Eden Academy Board; and
- ◆ To develop The Eden Academy Board so that it fulfils its governance function effectively.

*External Communications*

- ◆ To develop and communicate a consistent, appropriate and effective brand for the organisation based on The Eden Academy's core values;
- ◆ To represent the organisation effectively with external agencies including the DfE, policy makers and other key stakeholders;
- ◆ To build and develop networks in the local community to promote and raise the profile of the Academy and create sponsors and partners; and
- ◆ To develop The Eden Academy's profile as an pioneering, influential and thoughtful voice at the forefront of thinking in the Special Educational Needs (SEN) arena.

*The role of the Accounting Officer*

The Principal has been appointed as the Trust's Accounting Officer and is responsible for signing off the Trusts consolidated annual financial statements. His responsibilities are as follows:



## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Organisational structure** (continued)

#### ***The role of the Accounting Officer*** (continued)

The Accounting Officer is personally responsible to Parliament and to the accounting officer of the EFA for the resources under his control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge. Essentially accounting officers must be able to assure Parliament and the public of high standards of probity in the management of public funds.

#### **Connected organisations, including related party relationships**

The Eden Academy has a formal alliance with the RNIB Sunshine House School, whereby the time of seconded staff members of the Academy Trust are recharged at cost. There is also a fee for administrative time spent by the Academy Trust. The latest legal agreement is available on request.

## **OBJECTIVES AND ACTIVITIES**

The principal activity of The Eden Academy 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 specially organised to deliver special educational provision for pupils with Special Educational Needs ("the Special Academies").

Specifically The Eden Academy delivers education to pupils with a range of additional needs in the Local Authority of Hillingdon at Grangewood School, Pentland Field School and Moorcroft School and in the Local Authority of Harrow at Alexandra School. The Eden Academy has a formal alliance with the RNIB Sunshine House School in the Local Authority of Hillingdon

**Vision:** The Eden Academy will create a centre of educational excellence where our young people will achieve exceptional outcomes

**Mission:** The Eden Academy will be a national leader in special education. Our mission is to draw on the individual strengths of each Academy school to build good practice and ensure that outstanding teaching and learning is at the heart of everything we do. Young people will achieve excellent academic outcomes in a safe and nurturing environment and be empowered to make decisions about their lives and their contribution to society. We will nurture our staff professionally and create positive relationships with our parents and the wider community.

## **OBJECTIVES AND ACTIVITIES** (continued)

### ***Value statements:***

- ♦ **Inclusion:** a voice for everyone and everyone is heard
- ♦ **Focus:** children and young people are at the core of all we do
- ♦ **Collaboration:** together we are stronger
- ♦ **Quality:** excellence through innovation, creativity and continuous improvement
- ♦ **Integrity:** transparency and fairness in all we do

### **Objectives, strategies and activities**

Every year The Eden Academy constructs an Academy development plan detailing the main objectives for the year ahead. The main objectives are to develop consistency and common approaches across the Academy Trust within the following areas:

- ♦ Pupils
- ♦ Staff
- ♦ Families
- ♦ Wider Community

The Trust also aim to develop knowledge and understanding of the individual schools across the Trust.

### **Public Benefit**

The Eden Academy provides education for children and young people with significant and complex learning needs. Parents and carers do not pay fees for the services provided by the Academy. The Academy employs a cross Academy lead to co-ordinate family services across the Academy. There are a wide ranging set of services including sibling groups and parent workshops on issues including behaviour management. The Academy enjoys good relationships with the local communities in which the schools are situated many of whom contribute to fundraising efforts on behalf of the local schools.

The Directors have due regard to the guidance on public benefit, published by the Charity Commission in exercising their powers or duties.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### ***Review of activities***

- ♦ Moorcroft School successfully moved from "requires improvement to good". This marked a significant shift from where the school was in 2012 when it was deemed to be in special measures (by external audit)

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Review of activities** (continued)

- ♦ Pentland Field School opened successfully in January 2015 with 36 pupils. It then doubled in size to 72 pupils in September meeting its business plan targets agreed with the Department for Education. EFA audit visits confirmed the school should be deemed at least good.
- ♦ The Academy Trust was successful in bidding for an additional £1.3 million in condition funding monies for use at Grangewood, Moorcroft and Alexandra for a range of projects including replacement boilers, replacement of heating systems, roof replacement and replacement of external doors and windows. All these projects are underway or completed and will be within budget.
- ♦ Formal consultation on, and subsequent implementation of, the centralisation of all therapy services.
- ♦ E-Qualitas audit deemed all schools across the Academy to be at least good and a number outstanding including the new free school.
- ♦ Completion of centralisation of finance team
- ♦ Appointment of Associate Head of School for succession planning purposes and to ensure business continuity.
- ♦ Creation of central safeguarding team.

**Key financial performance indicators**

The Trust has just completed its third financial year during which it has consolidated its position. The Board of Directors have focused on the cash flow, recovery of income from the new way of working in regards to top-up fees and establishing working practices across the Trust. KPIs have mainly been budget related.

**Going concern**

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

**Financial review**

**Financial report for the year**

The Trust has ended the year with a balance of £13,555k (2014 - £6,747k) which is made up from the fixed asset fund (donated assets from LA) of £16,148k, a revenue balance of £1,513k and a deficit Pension Fund balance of £4,106k. The increase in funds in the year to 31 August 2015 includes £900k of unspent capital grants. These sums will be spent in the year to 31 August 2016.

## **STRATEGIC REPORT** (continued)

### **Financial review** (continued)

#### ***Financial report for the year*** (continued)

At the end of the first year, the Trust undertook a review of the level of top up fees across the Academy, benchmarking this data with other similar local providers. It subsequently produced papers supporting an increase in top up fees for both Moorcroft and Grangewood which was latterly agreed by the London Borough of Hillingdon and other local authorities. This placed the Trust in an improved financial position at the end of the current year.

The Trust has carried out a review of the current state of play of all policies across the Trust covering all aspects of its work (i.e. finance, personnel, curriculum etc.) to align the best practice across the Trust merging and refining these policies for approval by the Board of Directors and Local Governing Bodies. The Trust has provided a safe and stimulating environment for its pupils, provided a good staff to pupil ratio and the appropriate professional support from therapist and other professionals. The Trust has also worked on its structure to ensure that all four schools have worked to the high standards set by the Board of Directors. The collaboration between the four schools and RNIB has enhanced the continued professional development of the staff across the Trust.

#### ***Financial and risk management objectives and policies***

The main risks that face the Trust are as follows:

##### ***Cash Flow***

Since the change to the funding formula, it is the responsibility of the Trust to collect a significant part of the individual pupils funding from the relevant local authorities. This can be a slow process which has an impact on the Trust's cash flow. We have managed to significantly reduce this risk through negotiation with Hillingdon LA who is now paying an agreed monthly payment to support this.

##### ***Competitors***

The schools have a good reputation and are currently at full capacity. There are no significant competitors within the local area at the moment. Although the Government initiative to open more Free Schools across the country could be seen as a threat, this has been significantly reduced by the Trust's successful bid to open their own Free School. The Eden Academy's specialism with pupils with severe learning difficulties means it does not compete directly with mainstream schools

##### ***Reserves policy***

The Trust has ended the accounting period with a balance of £13,555k which is made up from the fixed asset fund (donated assets from LA) of £10,081k, a revenue balance of £1,513k and a pension fund deficit balance of £4,106k.

**STRATEGIC REPORT** (continued)

**Financial review** (continued)

***Reserves policy*** (continued)

Following a period of significant change the Board are finalising developing a reserves policy for the Academy Trust in order to provide sufficient working capital to cover delays between spending and receipt of grant payments and to provide resources to deal with unexpected emergencies.

***Investment policy***

The Trust has recently developed an investment policy. Any surpluses are currently held in appropriate bank accounts.

**Principal risks and uncertainties**

The current government changes and the continued review of funding for schools is posing uncertainty for the Trust with regards to the levels of funding for the future. Along with the continued pressure on LA's budgets this poses a risk on the availability of funding for the significant needs of our pupils. This is managed through tight policies, continued review of performance and a continued focus of future opportunities including collaborative working with local schools and Local Authorities.

**Plans for future periods**

Future plans centre around consolidating and strengthening the Academy. These include

- ◆ Consolidating the position of Pentland Field School by ensuring pupil numbers are increased to capacity by September 2016. This will be achieved through close dialogue with the Local Authority in neighbouring areas and also further afield.
- ◆ The Academy Development Plan (2015-16) and the Business Development Plan (2015-18) contains the following overarching aims.

**1. ICT**

The area of ICT development once again emerged as a major challenge for the Academy and ICT was therefore put forward for the second year running as a priority for the Academy. However, a lot has happened since last year. The ICT strategy for the Eden Academy is now complete and a full, costed strategy has been produced. The priority for next year will be to focus on the construction of an infrastructure to support our future aspirations as well as enhancing current provision for both professionals and our young people. A Head of ICT will also be appointed and interviews are due to take place as soon as possible. The role of the new Head of ICT will be to continue the dialogue and information sharing with schools and to ensure that the rolling out of the ICT strategy will be as smooth and coordinated as possible.

**Plans for future periods** (continued)

**2. Professional and personal development**

Our people are our most valuable asset. In order to ensure they feel both empowered and enabled, a priority this year is to review the systems and processes that lie at the heart of our professional development offer. Some examples of this would include:

- ◊ How do we develop the use of coaching across the academy schools and services?
- ◊ How does performance management and appraisal link to CPD?
- ◊ How we ensure CPD has impact and how do we collect evidence of this?
- ◊ How do we ensure that CPD is supporting our succession planning agenda at all levels within the Academy

**3. Building links and networks**

This area will focus on building links both internally (between schools within the Academy) and externally. This also includes further work to build a national profile for the Academy as well as links with other agencies and providers who might enhance the provision for our young people. The eQualitas audit that took place across all the Academy schools last year strongly recommended that in order to maintain and develop the excellent practice that resides within the Academy we needed to be more proactive in seeking out and learning from best practice in other schools and organisations.

**4. Family engagement**

Engagement with our families, whether it is parents, carers or siblings is of the utmost importance. Communication therefore forms a vital part of this strand. It is recognised that the challenges facing families across the Academy schools are diverse, complex and changing over time. Effective communication is a two way process to ensure we both hear and understand the needs of the families and also that families are made aware of the support that we can offer and how it can be accessed. We therefore need to continue to develop an effective family services network that is responsive and fit for purpose.

**5. Business development**

This underpins the other areas. In the first instance, a strategic review will examine how effectively we are

- ◊ Able to generate income through paid for services (e.g. therapy services, CPD)
- ◊ Maximising access to grants (e.g. condition funding)
- ◊ Accessing opportunities for sponsorship

This strand would also look at any expansion possibilities (e.g. 19-25 provision, early years or 14-19)

**AUDITOR**

In so far as the Directors are aware:

- ♦ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ the Directors 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.

Directors' report, incorporating a strategic report, approved by order of the members of the Board of Directors on 16 December 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Barry Nolan', with a stylized, cursive script.

Barry Nolan  
Chair of Directors

### **Scope of responsibility**

As Directors, we acknowledge we have overall responsibility for ensuring that the The Eden 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 Directors have delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Principal is also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

### **Governance**

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

<b>Directors</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Susan Douglas	7	7
Karen Deacon	6	7
Philip Haigh	6	7
Collette Stone	6	7
John Ayres (Principal)	7	7
Angela St John	6	7
Dennis Goldthorpe	3	3
Hardip Begol	2	3
Pamela Stentiford	6	7
Judith Hemery	7	7
Barry Nolan	7	7
Victoria Collis	1	1

### **Governance reviews**

During 2014/15 the Academy undertook a review of governance in relation to the post of CEO. As a result, the Academy re-structured the Board to separate out the posts of Chair and CEO in line with EFA guidance and a new Academy business development plan has been created for 2015-18 with a new Chair appointed with effect from 1 October 2015.

The Academy is now carrying out a further review of governance across all schools to ensure that the Directors/governors have the necessary skills and identify any significant training needs. The first stage of this is currently being completed with a skills audit being completed by all Directors and Governors. The review will be completed by March 2016.



**Finance Committee**

The Finance Committee is a sub-committee of the main board of Directors. Its purpose is to:

- ◆ Ensure the Academy is operating within its funding agreement providing assurance for the Accounting Officer;
- ◆ To review and agree policies relating to Finance as delegated by the Board of Directors e.g. Finance Policy, Record of Financial Responsibility including levels of delegation, Charges and Remissions, Expenses and Best Value Statement;
- ◆ In consultation with the Principal, Heads of School and Director of Finance and Resources, to draft and recommend to the Board, the first formal budget plan of the financial year, carry out revisions monitor the budget , and report regularly to the Board of Directors on progress at school and academy level;
- ◆ To establish and maintain an up to date 3 year strategic financial plan;
- ◆ To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Local Governing Bodies or Board of Directors;
- ◆ To consider a medium term plan report annually to inform the recovery of deficit if applicable;
- ◆ To receive reports from the audit committee and action where necessary, including the Statement of Internal Control;
- ◆ To review service agreements, contracts and insurance (buildings and public liability) and make decisions on unallocated funds following recommendations from other committees or Local Governing Bodies;
- ◆ To be responsible, in conjunction with the Board of Directors, for determining dismissal payments/early retirement; and
- ◆ To review benchmarking data on an annual basis to secure best value for money.

**Finance Committee** (continued)

Attendance at meetings in the year was as follows:

Governor	Status	Meetings attended	Out of a possible
Barry Nolan	Director	6	6
Pam Stentiford	Director and Chair of Finance Committee	6	6
John Marr	Governor rep, Grangewood	4	6
Debbie Wiseman	Governor rep, Moorcroft	6	6
Temple Rogers (from December 2014)	Governor rep, Alexandra	3	5
Angela St John (from January 2015)	Governor rep, Pentland	—	4
Susan Douglas	Director and CEO	5	6

**Audit Committee**

The Audit Committee is also a sub-committee of the main board of Directors. The terms of reference of the audit committee are outlined below:

- ◆ Advising the board of trustees on the effectiveness of the whole system of internal control, not just financial controls.

This will specifically include the controls of IT systems. Those controls to include such things as:

- ◇ Appropriate access to data entry, data authorisation, and data reporting
- ◇ Appropriate risk management of IT - backup and disaster recovery.
- ◇ Appropriate data protection procedures.
- ◆ Advising on the appointment and remuneration of external auditors.
- ◆ Oversight of the performance of external auditors and internal audit, including establishing performance measures.
- ◆ Advising on the establishment of an internal audit function.
- ◆ Advising on the scope of work and objectives of internal audit.
- ◆ Advising on the appointment and remuneration of internal audit.
- ◆ Oversight of internal audit plans and audit needs assessments, relating this to the risks identified.
- ◆ Ensuring co-ordination between the internal audit service and external auditors.

**Audit Committee** (continued)

- ♦ Advising on internal audit assignment reports and annual opinions.
- ♦ Advising the board of trustees on external audit findings reports and management letters.
- ♦ Reporting annually to the board on the work of the audit committee.
- ♦ Advising the board of trustees on actions taken against the risk management plan.
- ♦ Monitoring implementation of recommendations in audit reports and management letters.
- ♦ Review of financial regulations and procedures, through internal and external audit.
- ♦ Intervene if there are signs that something may be seriously amiss, in particular in connection with explanations given by auditors and management.
- ♦ Commissioning investigations and seeking professional advice as considered necessary.
- ♦ Responsibility for commissioning investigation of potential instances of fraud or irregularity or cases of whistle blowing.
- ♦ Review Local Governing Board agreed policies to ensure these do not contradict Academy – wide policies.

Members	Meetings attended	Out of a possible
Mark Lemon	5	5
Dennis Goldthorpe (Resigned 1 January 2015)	—	3
Martin Hand	5	5

**Review of value for Money**

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

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

Carrying out a review of the cost of utilities across the Academy. The cost of gas and electricity was tested in the market through a broker and utility savings are projected to be £27,000 over a three year period.

**Review of value for Money (continued)**

Carrying out a review of the use of agency staff for Supply Teachers and Learning Support Assistants. The review showed that the day rates charged for temporary staff varied across the schools for the same agency. The Academy negotiated with the agency and the rates were reduced to be more consistent across all schools in the Academy.

As part of the IT Strategy the Academy negotiated with broadband supplier and made savings in the region of £4,000 per annum and increased the bandwidth and speed of the broadband.

**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 the Academy's 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 at the Academy for the year ended 31 August 2015 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 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 ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Directors.

**The risk and control framework**

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Directors;
- ◆ regular reviews by the finance and general purposes 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;

**The risk and control framework** (continued)

- ♦ identification and management of risks.

The board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Directors have appointed Mark Lemon (Chair of the Audit Committee), as responsible officer (RO).

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

Key areas reviewed were expenditure and financial reporting.

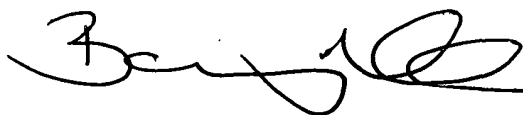
**Review of effectiveness**

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

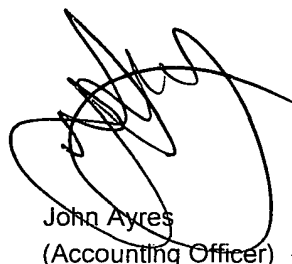
- ♦ the work of the Responsible Officer;
- ♦ the work of the external auditor; and
- ♦ the work of the Senior Management Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the finance committee of the implications of his review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of Directors on 16 December 2015 and signed on their behalf by:



Barry Nolan  
(Chair of Directors)



John Ayres  
(Accounting Officer)

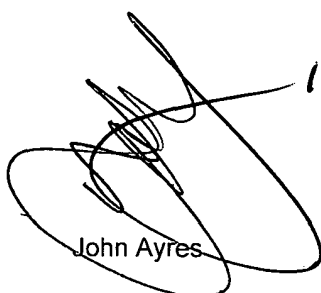
**The Eden Academy**  
**Statement on regularity, propriety and compliance Year to 31 August 2015**

As accounting officer of The Eden Academy, 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.

Except for the matter noted below, I confirm that there are 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 EFA.

- ♦ As described in note 24 to the financial statements, the Chief Executive Officer, Susan Douglas, was paid for her services as Chief Executive through her consultancy firm, The Forter Partnership. These payments were made 'off-payroll' throughout the year and is inconsistent with the 'Review of tax arrangement of public sector appointees,' published by H M Treasury in 2012 and therefore does not comply with the requirements of the Academies Financial Handbook. The arrangements were established at the inception of the Academy Trust and were communicated in detail to the EFA during the prior year. Testing of the source documentation back to the Trust's financial systems by the EFA confirmed that the internal control arrangements of the Trust for the payment of these invoices were working effectively. All payments made were authorised by a member of the Trust's senior management team other than the Chief Executive and were at less than market value. Following further communication with the EFA during the year, the Academy Trust has decided that, from 1 September 2015, the Chief Executive is paid for her services through the payroll. In addition, Susan Douglas resigned as Chair of the Board of Directors with effect from 1 October 2015, thus separating the roles of CEO and Chair as recommended by the EFA.



John Ayres  
Accounting Officer

Date: 16 December 2015

**The Eden Academy**  
**Statement of Directors' responsibilities Year to 31 August 2015**

The Directors (who act as governors of the Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Directors' 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 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 and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

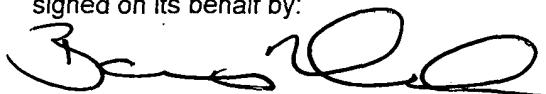
- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting 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 will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy 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 applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Directors are responsible for the maintenance and integrity of the charity and financial information included on the Academy'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 Directors on 16 December 2015 and signed on its behalf by:



Barry Nolan  
Chair of Directors

**Independent auditor's report on the financial statements to the Members of The Eden Academy**

We have audited the financial statements of The Eden Academy ("the charitable company") for the year ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

**Respective responsibilities of Directors and auditor**

The governors act as trustees for the charitable activities of The Eden Academy and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of Directors' responsibilities set out in the Directors' report, including the strategic report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

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 charitable company'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 Directors' report, including the strategic 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**

In our opinion:

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

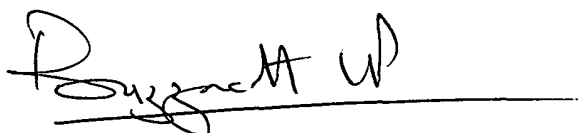
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report, including the 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 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.



Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 17 December 2015

**Independent reporting accountant's assurance report on regularity to The Eden Academy and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 16 June 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Eden Academy during the period from 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Eden Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Eden Academy's funding agreement with the Secretary of State for Education dated 30 May 2012 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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 matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

**Approach (continued)**

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**Conclusion**

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- ◆ As described in note 24 to the financial statements, the Chief Executive Officer, Susan Douglas, was paid for her services as Chief Executive through her consultancy firm, The Forter Partnership. These payments were made 'off-payroll' throughout the year and is inconsistent with the 'Review of tax arrangement of public sector appointees,' published by H M Treasury in 2012 and therefore does not comply with the requirements of the Academies Financial Handbook. The arrangements were established at the inception of the Academy Trust and were communicated in detail to the EFA during the prior year. Testing of the source documentation back to the Trust's financial systems by the EFA confirmed that the internal control arrangements of the Trust for the payment of these invoices were working effectively. All payments made were authorised by a member of the Trust's senior management team other than the Chief Executive and were at less than market value. Following further communication with the EFA during the year, the Academy Trust has decided that, from 1 September 2015, the Chief Executive is paid for her services through the payroll. In addition, Susan Douglas resigned as Chair of the Board of Directors with effect from 1 October 2015, thus separating the roles of CEO and Chair as recommended by the EFA.



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

Date: 17 December 2015

**The Eden Academy**
**Statement of financial activities (including income and expenditure account and statement of total recognised gains and losses) Year to 31 August 2015**

			Restricted funds				
	Notes	Unrestricted general fund £000	General £000	Other £000	Fixed assets fund £000	31 August 2015 £000	31 August 2014 £000
<b>Incoming resources</b>							
<i>Incoming resources from generated funds</i>							
Voluntary income	1	10	—	—	2,500	2,510	50
Voluntary income – transfer from local authority on conversion	24	—	—	—	—	—	1,558
Activities for generating funds	2	199	—	—	—	199	155
Investment income	3	2	—	—	—	2	1
<i>Incoming resources from charitable activities</i>							
Funding for the academy's educational operations	4	—	3,212	6,128	3,940	13,280	8,241
<b>Total incoming resources</b>		211	3,212	6,128	6,440	15,991	10,005
<b>Resources expended</b>							
<i>Charitable activities</i>							
Academy's educational operations	6	15	3,529	5,339	297	9,180	7,974
Governance costs	7	—	36	—	—	36	53
<b>Total resources expended</b>	5	15	3,565	5,339	297	9,216	8,027
<b>Net income (expenditure) for the year before transfers</b>							
		196	(353)	789	6,143	6,775	1,978
Transfers	15	—	—	76	(76)	—	—
		196	(353)	865	6,067	6,775	1,978
<b>Other recognised gains and losses</b>							
Actuarial gains (losses) on defined benefit pension scheme	23	—	33	—	—	33	(579)
<b>Net movement in funds</b>		196	(320)	865	6,067	6,808	1,399
<b>Reconciliation of funds</b>							
Total fund balances brought forward at 1 September		175	(3,786)	277	10,081	6,747	5,348
<b>Total fund balances carried forward at 31 August</b>		371	(4,106)	1,142	16,148	13,555	6,747

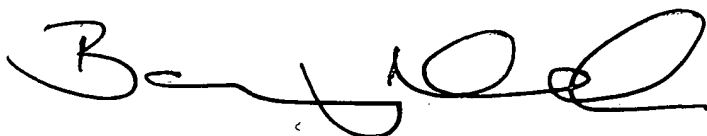
All of the Academy's activities derived from continuing operations during the above two financial periods. The increase in funds in the year to 31 August 2015 includes £900,000 of unspent capital grants. These sums will be spent in the year to 31 August 2016.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

**The Eden Academy**  
**Balance sheet** as at 31 August 2015

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
<b>Fixed assets</b>					
Tangible fixed assets	12		15,248		10,081
<b>Current assets</b>					
Debtors	13	698		263	
Cash at bank and in hand		<u>2,605</u>		<u>1,159</u>	
		3,303		1,422	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	<u>(890)</u>		<u>(714)</u>	
<b>Net current assets</b>			<u>2,413</u>		<u>708</u>
<b>Total assets less current liabilities</b>			17,661		10,789
Pension scheme liability	23		<u>(4,106)</u>		<u>(4,042)</u>
<b>Net assets including pension scheme liability</b>			<u>13,555</u>		<u>6,747</u>
<b>Funds of the Academy</b>					
Restricted income funds					
. Fixed assets fund	15		16,148		10,081
. General fund	15		—		256
. Pension reserve	15		<u>(4,106)</u>		<u>(4,042)</u>
. Other funds	15		<u>1,142</u>		<u>277</u>
	15		13,184		6,572
Unrestricted funds					
. General fund	15		371		175
<b>Total funds</b>			<u>13,555</u>		<u>6,747</u>

The financial statements on pages 26 to 49 were approved by the Directors, and authorised for issue on 16 December 2015 and are signed on their behalf by:



Barry Nolan  
Chair of Directors

The Eden Academy  
Company Limited by Guarantee  
Registration Number: 08036395 (England and Wales)

**The Eden Academy**  
**Cash flow statement** Year to 31 August 2015

	Notes	2015 £000	2014 £000
<b>Net cash inflow from operating activities</b>	18	<b>468</b>	972
Returns on investment and servicing of finance	19	2	1
Capital income	20	976	21
Cash transferred on conversion		—	45
<b>Increase in cash in the year</b>		<b>1,446</b>	1,039
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Net funds at 1 September		1,159	120
<b>Net funds at 31 August</b>		<b>2,605</b>	1,159

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention 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 2014 to 2015 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 financial statements have been prepared on a going concern basis. 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.

### **Incoming resources**

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

#### ♦ ***Grants receivable***

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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

#### ♦ ***Donations***

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 year it is receivable and to the extent the goods have been provided or on completion of the service.

**Incoming resources (continued)**

♦ ***Donated services and gifts in kind***

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

During the year, there was a transfer of a building from the Department for Education relating to Pentland Free School, for £nil consideration. The freehold land and building has been accounted for at cost.

**Resources expended**

All expenditure is recognised in the year 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***

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

♦ ***Charitable activities***

These are costs incurred on the academy trust's educational operations.

♦ ***Governance costs***

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

All resources expended are inclusive of irrecoverable VAT.



### **Tangible fixed assets**

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

♦ Freehold buildings	50 years
♦ Long leasehold buildings	45 years
♦ Motor vehicles	4 years

Depreciation is charged from the month of acquisition.

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.

### **Leased assets**

Rentals under operating leases are charged on a quarterly basis over the lease term.

### **Stock**

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

### **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.

### **Pensions benefits**

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.

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

**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 Directors.

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

Restricted general funds comprise all other grants received from the Education Funding Agency/Department for Education.

Restricted other funds comprise all other restricted funds received and include grants from the local authorities.

**The Eden Academy**  
**Notes to the Financial Statements** Year to 31 August 2015

**1 Voluntary income**

	Unrestricted funds £000	Restricted funds £000	2015 Total funds £000	2014 Total funds £000
Donated fixed assets (see below)	—	2,500	2,500	—
Other donations	10	—	10	50
	10	2,500	2,510	50

During the year the Department for Education (DfE) purchased the freehold land and building with respect to Pentland Free School. The freehold was then donated to The Eden Academy by the DfE.

**2 Activities for Generating Funds**

	Unrestricted funds £000	Restricted funds £000	2015 Total funds £000	2014 Total funds £000
Sale of classroom materials	4	—	4	5
Catering income	23	—	23	26
School trips income	2	—	2	3
Other fees and charges (see below)	170	—	170	121
	199	—	199	155

Other fees and charges include charges to Sunshine House for the use of teachers and educational support staff from The Eden Academy and rent from Growing Tree Nurseries for the occupation of part of Pentland Field site.

**3 Investment Income**

	Unrestricted funds £000	Restricted funds £000	2015 Total funds £000	2014 Total funds £000
Interest receivable	2	—	2	1

#### 4 Funding for academy's educational operations

	Unrestricted funds £000	Restricted funds £000	2015 Total funds £000	2014 Total funds £000
<b>DfE/EFA capital grant</b>				
. Condition Improvement Fund	—	3,919	3,919	—
. Devolved formula capital allocations	—	21	21	21
	—	3,940	3,940	21
<b>DfE/EFA revenue grants</b>				
. General Annual Grant (GAG)	—	2,853	2,853	2,624
. Start Up grants	—	128	128	220
. Other DfE / EFA	—	231	231	164
	—	3,212	3,212	3,008
<b>Other government grants</b>				
. Local authority grants	—	5,785	5,785	4,968
. Special educational projects	—	59	59	48
	—	5,844	5,844	5,016
<b>Other restricted income</b>				
Insurance claim	—	48	48	21
Other fees and charges	—	236	236	175
	—	284	284	196
	—	13,280	13,280	8,241

#### 5 Resources expended

		Non pay expenditure			
	Staff costs £000	Premises £000	Other costs £000	2015 Total funds £000	2014 Total funds £000
. Academy's educational operations					
.. Direct costs	6,555	—	415	6,970	6,066
.. Allocated support costs	781	372	1,057	2,210	1,908
	7,336	372	1,472	9,180	7,974
Governance costs including allocated support costs	—	—	36	36	53
	7,336	372	1,508	9,216	8,027
<b>Incoming resources for the year include:</b>					
Operating leases				3	3
Fees payable to auditor					
. Statutory audit				19	18
. Other services				15	—

**6 Charitable activities - academy's educational operations**

	<b>2015 Total funds £000</b>	<b>2014 Total funds £000</b>
<b>Direct costs</b>		
Teaching and educational support staff costs	6,555	5,739
Educational supplies	294	231
Staff development	58	46
Other direct costs	63	50
	<b>6,970</b>	<b>6,066</b>
<b>Allocated support costs</b>		
Support staff costs (including FRS 17)	781	642
Depreciation	297	249
Recruitment and support	119	46
Maintenance of premises and equipment	243	117
Cleaning	35	43
Rent and rates	94	92
Insurance	140	184
Security and transport	5	4
Catering	123	112
Bank interest and charges (including FRS 17)	95	131
Professional fees	107	168
Other costs	171	120
	<b>2,210</b>	<b>1,908</b>
<b>Total direct and support costs</b>	<b>9,180</b>	<b>7,974</b>

**7 Governance costs**

	<b>2015 Total funds £000</b>	<b>2014 Total funds £000</b>
Legal and professional fees	2	37
Auditor's remuneration:		
· Audit of financial statements	19	18
· Non-statutory audit	15	—
· Non- statutory audit - prior year	—	(2)
	<b>36</b>	<b>53</b>

## **8 Staff**

### **(a) Staff costs**

Staff costs during the year were:

	<b>2015 Total funds £000</b>	<b>2014 Total funds £000</b>
Wages and salaries	<b>5,535</b>	5,002
Social security costs	<b>373</b>	339
Pension costs	<b>1,050</b>	920
	<b>6,958</b>	6,261
Supply teacher costs*	<b>366</b>	117
Staff restructuring costs	<b>12</b>	3
	<b>7,336</b>	6,381

\* The increase in supply teacher costs is attributable to short term cover for vacancies arising following the transfer of staff to Pentland Field School.

### **(b) Staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,136 (2014 – £3,500). Individually the payments were for £12,000 and £136.

### **(c) Staff numbers**

The average numbers of persons (including senior management team) employed by the Academy during the year expressed as a full time equivalents was as follows:

<b>Charitable activities</b>	<b>2015 No</b>	<b>2014 No</b>
Administration and support	<b>38</b>	36
Teachers and educational support	<b>180</b>	152
Management	<b>10</b>	6
	<b>228</b>	194

### **(d) Higher paid staff**

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

	<b>2015 No</b>	<b>2014 No</b>
£60,001 - £70,000	<b>4</b>	1
£100,001 - £110,000	—	1
£120,001 - £130,000	<b>1</b>	—

Four (2014 – two) of the above employees participated in the Teachers' Pension Scheme. The other employee (2014 – none) participated in the Local Government Pension Scheme.

**9 Directors' remuneration and expenses**

The Principal and staff Directors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of Directors' remuneration and other benefits was as follows:

	2015 £000	2014 £000
John Ayres, Principal		
Remuneration	120 – 125	100 – 105
Employer's pension contributions	15 – 20	15 – 20

During the year ended 31 August 2015, there were no travel and subsistence expenses (2014 - £nil) reimbursed to the Directors.

Other related party transactions involving the Directors are set out in note 24.

**10 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £528 (2014 - £975).

**11 Central services**

The Academy Trust has provided the following central services to its academies during the year:

- ♦ Human resources;
- ♦ Financial services;
- ♦ Legal services;
- ♦ Educational support services;
- ♦ IT services;
- ♦ Careers support; and
- ♦ Provision for students aged 16 and over.



# 11 Central services (continued)

The Academy Trust charges for these services on the following basis:

- ◆ Flat percentage of income 6%;

The actual amounts charged during the year were as follows:

	2015 £000	2014 £000
Alexandra School	218	108
Grangewood School	160	181
Moorcroft School	118	134
Pentland Field School	47	—
	<b>543</b>	<b>423</b>

# 12 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £000	Furniture and equipment £'000	Motor vehicles £000	Total funds £000
<b>Cost/valuation</b>					
At 1 September 2014	—	10,491	—	37	10,528
Additions	4,995	356	113	—	5,464
At 31 August 2015	4,995	10,847	113	37	15,992
<b>Depreciation</b>					
At 1 September 2014	—	427	—	20	447
Charge in year	37	229	22	9	297
At 31 August 2015	37	656	22	29	744
<b>Net book value</b>					
At 31 August 2015	4,958	10,191	91	8	15,248
At 31 August 2014	—	10,064	—	17	10,081

The Secretary of State for Defence and the Secretary of State for Education hold legal charges over property with a value of £2.5 million.

# 13 Debtors

	2015 £000	2014 £000
Trade debtors	96	173
Prepayments and accrued income	366	68
Other debtors	236	22
	<b>698</b>	<b>263</b>

**14 Creditors: amounts falling due within one year**

	2015 £000	2014 £000
Trade creditors	—	12
Taxation and social security	107	103
Accruals and deferred income	783	599
	<b>890</b>	<b>714</b>
<b>Deferred income</b>		
Deferred income at 1 September	439	99
Amounts released from previous years	(439)	(99)
Resources deferred in the year	21	439
Deferred income at 31 August	<b>21</b>	<b>439</b>

Deferred income relates to grant funding received in the year relating to 2015/16.

**15 Funds**

	Balance at 1 September 2014 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	Balance at 31 August 2015 £000
<b>EFA revenue grant fund</b>					
General Annual Grant (GAG)	136	2,853	(2,989)	—	—
Start Up Grant	96	128	(224)	—	—
Other EFA grants	24	231	(255)	—	—
	256	3,212	(3,468)	—	—
Pension reserve	(4,042)	—	(97)	33	(4,106)
	<b>(3,786)</b>	<b>3,212</b>	<b>(3,565)</b>	<b>33</b>	<b>(4,106)</b>
<b>Fixed assets fund</b>					
EFA capital grants	144	3,940	(297)	(76)	3,711
Capital expenditure from GAG	14	—	—	—	14
Capital grants from Local Authority	32	—	—	—	32
Academy building and furniture and equipment transferred from Local Authority	9,891	—	—	—	9,891
Assets donated by DfE	—	2,500	—	—	2,500
	<b>10,081</b>	<b>6,440</b>	<b>(297)</b>	<b>(76)</b>	<b>16,148</b>
<b>Other restricted funds</b>					
Local authority grants	277	5,785	(4,996)	76	1,142
Other	—	343	(343)	—	—
	<b>277</b>	<b>6,128</b>	<b>(5,339)</b>	<b>76</b>	<b>1,142</b>
<b>Total restricted funds</b>	<b>6,572</b>	<b>15,780</b>	<b>(9,201)</b>	<b>33</b>	<b>13,184</b>
<b>Unrestricted funds</b>					
General funds	175	211	(15)	—	371
<b>Total unrestricted funds</b>	<b>175</b>	<b>211</b>	<b>(15)</b>	<b>—</b>	<b>371</b>
<b>Total funds</b>	<b>6,747</b>	<b>15,991</b>	<b>(9,216)</b>	<b>33</b>	<b>13,555</b>

**15 Funds (continued)**

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

***EFA revenue grant fund and other restricted funds***

***General Annual Grant (GAG)***

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

***Fixed asset fund***

These grants relate to funding received to purchase assets of a capital nature and buildings inherited on conversion.

***Pension reserve***

The pension reserve relates to the Trust's share of the deficit of the Local Government Pension schemes.

***Transfers***

Transfers have been made to represent the reimbursement of capital items out of the revenue grant fund purchased below the capitalisation threshold.

***Analysis of academies by fund balance***

Fund balances at 31 August 2015 were allocated as follows:

	Total £'000
Grangewood School	717
Moorcroft School	250
Alexandra School	219
Pentland Field School	139
Central Services	188
Total before fixed assets and pension reserve	1,513
Restricted fixed asset fund	16,148
Pension liability	(4,106)
<b>Total</b>	<b>13,555</b>

***Analysis of academies by cost***

Expenditure incurred by each academy during the year was as follows

	Teaching and education support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total £'000
Grangewood School	2,852	475	113	534	3,974
Moorcroft School	1,875	254	54	243	2,426
Alexandra School	1,424	148	46	179	1,797
Pentland Field School	404	78	81	108	671
Academy Trust	6,555	955	294	1,064	8,868

## 16 Analysis of net assets between funds

	Unrestricted funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total 2015 £000
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	—	—	15,248	15,248
Current assets	371	1,850	1,082	3,303
Current liabilities	—	(708)	(182)	(890)
Pension scheme liability	—	(4,106)	—	(4,106)
<b>Total net assets</b>	<b>371</b>	<b>(2,964)</b>	<b>16,148</b>	<b>13,555</b>

## 17 Financial commitments

### Operating leases

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

	2015 £000	2014 £000
Other		
Expiring within one year	—	2
Expiring within two and five years inclusive	1	1
	<b>1</b>	<b>3</b>

## 18 Reconciliation of net income to net cash inflow from operating activities

	2015 £000	2014 £000
Net income	6,775	1,979
Cash impact of transfer on conversion	—	(1,558)
Depreciation (note 12)	297	249
Less: Capital grants from DfE and other capital income	(6,440)	(21)
Less: Interest receivable (note 3)	(2)	(1)
FRS 17 pension cost less contributions payable (note 23)	2	(107)
FRS 17 pension finance income (note 23)	95	131
(Increase) in debtors	(253)	(28)
(Decrease) increase in creditors	(6)	328
<b>Net cash inflow from operating activities</b>	<b>468</b>	<b>972</b>

## 19 Returns on investment and servicing of finance

	2015 £000	2014 £000
Interest received	2	1
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>2</b>	<b>1</b>

**20 Capital expenditure and financial investment**

	2015 £000	2014 £000
Purchase of tangible fixed assets	(2,782)	—
Capital grants from DfE / EFA	3,758	21
<b>Net cash inflow from capital expenditure and financial investments</b>	<b>976</b>	<b>21</b>

**21 Analysis of changes in net funds**

	At 1 September 2014 £000	Cashflows £000	At 31 August 2015 £000
Cash in hand and at bank	1,159	1,446	2,605

**22 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.

**23 Pension and similar obligations**

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

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

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

## **23 Pension and similar obligations (continued)**

### ***Teachers' Pension Scheme***

#### ***Introduction***

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

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

#### ***Valuation of the Teachers' Pension Scheme***

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

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

## 23 Pension and similar obligations (continued)

### *Teachers' Pension Scheme (continued)*

#### *Valuation of the Teachers' Pension Scheme (continued)*

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

The pension costs paid to TPS in the period amounted to £117,799 (2014: £111,841).

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

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

### *Local Government Pension Scheme (LGPS)*

Each LGPS is a multi-employer funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £933,000, of which employer's contributions totalled £782,000 and employees' contributions totalled £181,000. The agreed contribution rates for future years are between 5.5% and 12.5% for employees and between 22% and 28% for employers.

The funds that the charitable company is part of are: London Borough of Hillingdon Pension Fund (Grangewood School, Moorcroft School and Pentland Field School) and London Borough of Harrow Pension Fund (Alexandra School).

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.

Principal Actuarial Assumptions	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.7%	4.6%
Rate of increase for pensions in payment / inflation	2.7%	2.8%
Discount rate for scheme liabilities	3.8%	4.2%

**23 Pension and similar obligations (continued)**

***Local Government Pension Scheme (LGPS) (continued)***

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.6	22.4
Females	24.6	24.6
<i>Retiring in 20 years</i>		
Males	24.4	24.4
Females	26.9	26.9

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

	Fair value at 31 August 2015 £000	Expected return at 31 August 2014	Fair value at 31 August 2014 £000
Equities	2,179	6.4%	1,733
Bonds	757	3.5%	554
Property	433	4.5%	228
Cash	183	3.3%	69
Total market value of assets	3,552		2,584
Present value of scheme liabilities	(7,658)		(6,626)
(Deficit) in the scheme	(4,106)		(4,042)

A long term expected rate of return at 31 August 2015 has not been provided for accounting periods beginning on or after 1 January 2015, the expected rate of return and interest cost will be replaced with a single net interest cost. This will effectively set the expected return at a level equal to the discount rate of 3.8%.

The actual return/loss on scheme assets was £89,000.



## 23 Pension and similar obligations (continued)

### *Local Government Pension Scheme (LGPS) (continued)*

	2015 £000	2014 £000
<b>Amounts recognised in statement of financial activities</b>		
Current service costs (net of employee contributions)	784	664
Total operating charge	784	664

### **Analysis of pension finance income / (costs)**

Expected return on pension scheme assets	166	121
Interest on pension liabilities	(261)	(252)
<b>Pension finance (costs)</b>	<b>(95)</b>	<b>(131)</b>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £814,000 (2014 - £847,000).

### **Movements in the overall deficit were as follows:**

	2015 £000	2014 £000
Deficit at 1 September	(4,042)	(2,807)
Deficit at 1 September (Alexandra)	—	(632)
Current service cost	(784)	(664)
Employer contributions	782	771
Net finance interest	(95)	(131)
Actuarial gains (losses)	33	(579)
<b>At 31 August</b>	<b>(4,106)</b>	<b>(4,042)</b>

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

	2015 £000	2014 £000
Deficit at 1 September	6,626	4,250
Deficit at 1 September (Alexandra)	—	837
Current service costs	784	664
Interest costs	261	252
Employee contributions	181	162
Actuarial (gain) loss	(111)	515
Benefits paid	(83)	(54)
<b>At 31 August</b>	<b>7,658</b>	<b>6,626</b>

## 23 Pension and similar obligations (continued)

### *Local Government Pension Scheme (LGPS) (continued)*

	2015 £000	2014 £000
<b>Movements in the fair value of Academy's share of scheme assets:</b>		
At 1 September	2,584	1,443
At 1 September (Alexandra)	—	205
Expected return on assets	166	121
Actuarial (loss)	(78)	(64)
Employer contributions	782	771
Employee contributions	181	162
Benefits paid	(83)	(54)
<b>At 31 August</b>	<b>3,552</b>	<b>2,584</b>

The estimated value of the employer contributions for the year ended 31 August 2016 is £736,000.

The five year history of experience adjustments are as follows:

	2015 £000	2014 £000	2013 £000
<b>Present value of defined benefit obligations</b>	<b>(7,658)</b>	<b>(6,626)</b>	<b>(4,250)</b>
<b>Fair value of share scheme assets</b>	<b>3,552</b>	<b>2,584</b>	<b>1,443</b>
<b>Deficit on the scheme</b>	<b>(4,106)</b>	<b>(4,042)</b>	<b>(2,807)</b>
<b>Experience adjustments on share of scheme assets</b>			
Amount	(78)	(64)	127
<b>Experience adjustments on scheme liabilities</b>			
Amount	2	49	—

## 24 Related party transactions

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

All Board Directors, LGB governors and finance and senior staff are required to complete a 'Declaration of interest' form and such declarations are made at the start of all committee meetings.

**24 Related party transactions (continued)**

The Forter Partnership is a consultancy firm in which Susan Douglas (CEO) is a director; the Academy spent £49,963 (2014 - £37,375) for services rendered in relation to her responsibility as CEO of The Eden Academy. This arrangement was terminated with effect from 1 September 2015.

The Friends of Grangewood for whom John Ayres is a Trustee, donated £1,250 (2014 - £nil) during the accounting period. There were no outstanding balances at the end of the period. This is a separate entity which fundraises for the Academy Trust.

The spouse of the Head of School at Alexandra School is employed within the IT department. His earnings for the year were £4,931 (2014 - £3,176).