

Avocet Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2016

Company Registration Number: 09254238 (England and Wales)



Avocet Academy Trust

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Avocet Academy Trust

Reference and administrative details

Members

Peter Elliott
Tony Cooper
Jeremy Mead

Trustees

Peter Elliott (Chairman)
Tony Cooper
Jeremy Mead
Martin Churchill Resigned 27/01/16
Roger Theobald
Cheryl Singleton
Joanne Stanley-Bell
Will Watson
Silas Norman
Jill Porter-Hardy
Emma Laflin Appointed 25/01/16

Senior Management Team

Executive Principal
Executive Principal
Deputy Principal
Deputy Principal
Deputy Principal
Chief Financial Officer (Business Leader)
Accounting Officer

Cheryl Singleton
Joanne Stanley-Bell
James Ratcliffe
Melissa Geater
Andrew Chilvers
Jill Porter-Hardy
Cheryl Singleton

Registered Office

Wickham Market Primary School
Dallinghoo Road
Wickham Market
IP13 0RP

Company Registration Number

09254238

Auditors

Ensors Accountants LLP
Chartered Accountants
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

Bankers

Barclays
P O Box 216
Brightwell Court
Martlesham Heath
Ipswich
IP55 3PW

Solicitors

Mills & Reeve LLP
Botanic House
Hills Road
Cambridge
CB2 1PH

Avocet Academy Trust

Trustees' Report

The trustees present their annual report together with the audited financial statements of the academy trust (academy) for the period from 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

Avocet Academy Trust is a Multi Academy Trust operating three schools in East Suffolk. There are approximately 540 pupils in the MAT which makes it a small MAT compared to those nationally.

Structure, Governance and Management

Constitution

The academy 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.

The trustees of Avocet Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Avocet Academy Trust. Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Indemnity insurance for the Trustees is held in the sum of £1,000,000.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by the Members of the Academy Trust. New Trustees are sought from local communities, to fill "skill gaps" identified from a skills audit of Trustees. In year, one Trustee was appointed to support the requirements of the Trust. For the year to 31 August 2016 there were three members all of whom were serving trustees. Following latest guidance from the DfE this is likely to be reviewed so that there are five members of which at least two will not serve as trustees. Members will continue to be responsible for appointing Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees.

The training and induction provided for new Trustees will depend upon their existing experience and knowledge of the academy but would always include the opportunity of a tour of the Academy and an opportunity to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific training courses offered by various bodies as well as key staff leading in house training in different areas.

Organisational Structure

The trust is currently made up of four members (one of whom is a Trustee) and an additional six Trustees. Three of the trustees (not members) are in paid employment by the trust, and these are the Executive Principal, the CEO and the Business Leader.

The Trust is currently reviewing its structure to make room for one additional member who will not be trustees as well as adding new Trustees.

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Arrangements for Setting Pay and Remuneration of Key Management Personnel

Management personnel, including the Chief Financial Officer, are paid in line with the pay scales set out in the national pay and conditions documents. Pay ranges are agreed with the Trust which is responsible for setting pay. All management personnel are subject to normal appraisal procedures which will determine pay increments. Any other remuneration is in line with the Academy pay policy. Neither the CEO, the Executive principal nor the Chief Financial Officer receive any other remuneration except for occasional expenses. Other senior staff may be awarded one off payments in line with agreed outcomes. Non-executive Trustees do not receive any remuneration.

Related Parties and Other Connected Charities and Organisations

Each school has a Parent support group, each of which is a registered charity. More information in relation to these charities is shown in note 32 of the accounts.

Objectives and Activities

Objects and Aims

The Aims of the Trust are to ensure that the children in each of the individual schools get the best possible primary education. We aim to ensure that all pupils make good and sustained progress academically as well as experiencing a wide range of opportunities and experiences to aid them in their next school and beyond. The Avocet Academy development plans contain specific targets in the areas of: teaching, learning and assessment; behaviour; outcomes for children; leadership; growth and sustainability of the Academy.

Objectives, Strategies and Activities

The principal object and activity of the Charitable Company is the operation of Avocet Academy to provide free education and care for pupils of different abilities between the ages of 3 and 11. The Trustees ensure that each school and the Academy as a whole have effective development plans that target areas of development particular to each school and they ensure that the plans are effectively executed. The short term monitoring of the development plans is delegated to the Local governing Bodies who report to the Trustees termly.

Key Objective, Structures and Activities

Key Objectives on the Academy Development Plans include

1. To achieve or exceed the National targets for achievement at the end of KS1 and KS2 with a particular focus on standards at Leiston

We will achieve this by:

- Sharing best practice from the other schools
- Increasing interventions and exam preparation in year 6
- Improving the quality of Teaching and Learning through staff CPD and coaching. Implement and moderate the new assessment systems across the academy schools.
- Track progress and hold staff accountable through regular pupil progress meetings.

2. To build capacity to enable CEO and executive principal greater ability to develop the roles whilst ensuring that schools are led effectively. Our aim is to have 1000+ pupils by the end of 2018

3. Develop the role of a welfare leader to increase timely and effective provision for children as well as support for parents. They would also hold teams to account across the school and monitor outcomes.

4. To improve outcomes in handwriting, presentation and grammar in line with new National Assessment expectations.

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Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties.

They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy provides facilities for community users for the community at large in the interest of social welfare and with the interest of improving the life of the community of Suffolk.

Strategic report

Achievements and Performance

Leiston Primary School has demonstrated a sharp upward trend in achievement. In 2013 44% of children achieved level 4 in Reading, Writing and Maths at the end of KS2. In 2014 it rose to 64% and in 2015, it was 76%. This is as a direct impact of good leadership to develop good teaching and learning. Devolving leadership through Subject areas has raised the profile of teachers being accountable for their subject leadership and robustly held to account through a strong system of pupil focused performance management. 2016 data is not comparable with previous data but Leiston achieved lower than the National average at KS2 in all areas which will be the highest priority in academy development this year.

Wickham Market Primary School and Easton Primary have continued to achieve above average at KS2 for Reading, Writing and Maths and the combined average. Both these schools have high Value Added for progress at the end of KS2. Local Governing bodies demonstrate effective working practices and training has been well attended and relevant lines of communication between Local Governing Bodies and the trustees are clear and unambiguous.

Going Concern

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

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes.

The majority of the academy's income comes from the Department for Education via the Education Funding Agency (EFA). Grant funding is paid to the academy on a monthly basis, in accordance with the General Annual Grant (GAG) set out by the EFA for the academy. The GAG is based on amounts per pupil and adjusted for the particular needs and composition of the academy. The EFA also administers Pupil Premium payments, which are targeted at the provision of additional resources for children eligible for free school meals. The grant funding and associated expenditure during the period 01/11/2014 31/08/2015 are set out in the Statement of Financial Activities.

All of the expenditure recorded in the Statement of Financial Activities was in furtherance of the academy's objectives as set out above.

Prudence has been observed throughout the period to ensure reserves of funds are maintained in line with the Academy's reserves policy.

Tangible fixed assets comprising land and buildings, furniture, fixtures and fittings and classroom equipment were granted to the academy upon conversion by the Local Authority. The assets were used exclusively for the provision of education and associated support services to the pupils of the academy.

Avocet Academy Trust

Reserves Policy

The Academy held fund balances at 31 August 2016 of £8,523,985 comprising restricted funds and unrestricted funds. The restricted fixed asset fund is £9,212,662, the pension fund deficit is £989,000 and the restricted general fund (excluding the pension fund deficit) is £67,042. The unrestricted funds amount to £233,281.

The Governors review the reserve levels of the Academy annually. The Governors feel it is important that funding received during a financial year is spent for the benefit of the pupils on roll at that time, whilst recognising the need for prudent accounting. Governors have determined that the appropriate level of free cash reserves in any one year should be no more than 5% of GAG funding. This does not include any reserves inherited on conversion.

Investment Policy

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts covered by the Financial Services Compensation to take advantage of higher interest rates. No other form of investment is authorised.

Principal Risks and Uncertainties

The Trust board is responsible for risk management and for maintaining a sound system of internal controls that supports the achievement of internal policies, aims and objectives whilst safeguarding public funds and other funds and assets for which it is responsible. The Trust board is advised in this role by the finance committee and both are advised and informed by the SLT and the Business Leader.

Presently the key area of risk continues to be the impact on grant funding of a potential reduction of pupil numbers given the availability of school places in neighbouring schools as well as our own. The pensions deficit (both Teachers and LGPS) is monitored by Trustees and any impact on future contribution levels is kept under review.

Risk Management

The Academy has a risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. Areas of risk assessed include health & safety, trips, child protection, control of finance and educational outcomes.

Plans for Future Periods

- Research into better welfare provision for Academy pupils as this is becoming an increasing focus across all schools
- Staffing across the academy will be reviewed to reflect the addition of one school in the coming year as well as in response to changing budgets
- Following a premises review we will put in place an action plan to ensure that maintenance costs are kept to a minimum, this will require additional funding and EFA grant applications will be submitted alongside this
- Possible centralisation of finance and HR operations to increase cost efficiency
- Research into different methods of teacher recruitment and retention in response to the current challenges in recruitment.

Funds held as Custodian Trustee on behalf of others

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

Auditor


In so far as the trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and

Avocet Academy Trust

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 2 December 2016 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'Jill Porter-Hardy', written over a dotted line.

Jill Porter-Hardy
Trustee
Governance Statement

Avocet Academy Trust

Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustee's Report and in the Statement of Trustee's Responsibilities. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

	Meetings attended	Out of possible
Peter R Elliott (Chair)	6	6
Tony Cooper	4	6
Jeremy Mead	6	6
Martin Churchill	1	3
Roger Theobald	6	6
Cheryl Singleton (Staff Trustee)	6	6
Joanne Stanley-Bell (Staff Trustee)	6	6
William Watson	6	6
Silas Norman	4	6
Jill Porter-Hardy (Staff Trustee)	5	6
Emma Laughlin	3	4

The board welcomed one new Trustee during the period, Emma Laughlin in response to the findings of the skills audit undertaken by trustees. Martin Churchill resigned from the Trust February 2016 due to work commitments. The board is now looking to recruit additional Trustees.

The board of trustees undertook a self evaluation in the form of a skills audit during the period, in order to identify any areas for future training and development and ensure the most effective utilisation of trustees' skills and expertise within the board and its subcommittees.

The aim is for trustees to improve their knowledge and understanding of the key processes and outcomes of the school, leading to more effective challenge and evaluation and raised standards. Training sessions were delivered to further support this.

The Finance Committee/Finance and Audit Committee is a subcommittee of the main board of trustees. Its purpose is to monitor income and expenditure throughout the year, review financial policies and consider future financial plans.

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Governance Statement (continued)

Finance committee/ Finance and Audit Committee attendance at the meetings in the period was as follows:

	Meetings attended	Out of possible
Cheryl Singleton (Accounting Officer)	10	10
William Watson	10	10
Silas Norman	7	10
Jill Porter-Hardy (Staff Trustee)	10	10
Jeremy Mead	5	7
Tony Cooper	1	7

Across the academy few classes are at capacity which provides a huge challenge for the financial management team. As funding is mainly generated on a 'per head' basis the Academy is unlikely to sustain current staffing levels under the existing National Education funding formula. This is an ongoing focus for the rest of the academic year.

Governance review

The finance and audit committee (previously finance committee) has been in place since January 2016 when Jeremy Mead and Tony Cooper joined. The committee is chaired by William Watson. The group meet monthly during term time and minutes are kept with all other academy documents. The committee recognise the need for another member to join the committee and are seeking to resolve this. The committee recognise the need for the CFO and CEO (who are on the committee) to not be part of the audit agenda items.

Review of Value for Money

As accounting officer the CEO has responsibility for ensuring that the academy 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 academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy has delivered improved value for money during the year by:

- Holding staff to account on pupil progress and attainment and ensuring that action is put in place to continuously raise standards and ensuring that underperformance is effectively addressed
- Reducing teaching staff in one school which could not sustain the current staffing levels
- Supporting the financial team to procure effective services and providers at competitive rates
- Targeting weaker areas in performance when allocating curriculum and training funds
- Robust appraisal procedures with all staff and ensuring that pay increments are only awarded where performance has positively impacted on standards.

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 in Avocet Academy Trust for the period ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

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Governance Statement (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 November 2015 to 31 October 2016 and up to the date of approval of the annual report and financial statements. The Academy risk register is now in place and the board recognises that this document needs to be reviewed at each finance committee meeting and the outcomes shared with Trustees termly within the Trustee meeting.

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. A finance dashboard document is reviewed by the finance committee, and presented regularly to Trustee meetings. The Trust has appointed a qualified accountant to the finance committee, to help the performance of the internal audit function.

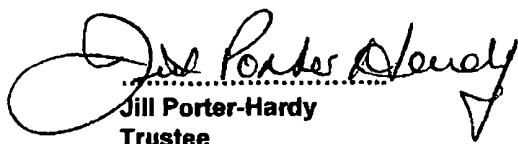
Review of Effectiveness

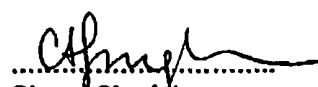
As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors
- the work of the internal auditors
- the financial management and governance self-assessment

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

Approved by order of the board of trustees on 6 December 2016 signed on its behalf by:


Jill Porter-Hardy
Trustee


Cheryl Singleton
Executive Principal and
Accounting officer

Avocet Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Avocet Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency (EFA) 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



Cheryl Singleton

Executive Principal and Accounting officer

2 December 2016

Avocet Academy Trust

Statement of Trustees' Responsibilities

The trustees (who act as governors of Avocet Academy Trust] and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction published by the Education Funding Agency.

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

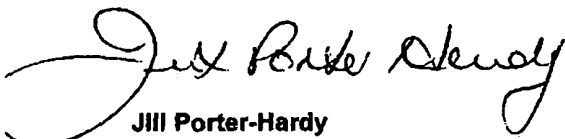
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware:

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

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

Approved by the order of the members of the board of trustee on 2 December 2016 and signed on its behalf by:



Jill Porter-Hardy
Trustee

Independent Auditor's Report to the Members of Avocet Academy Trust

We have audited the financial statements of Avocet Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Annual Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (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 academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, and the Annual Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

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Independent Auditor's Report to the Members of Avocet Academy Trust (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

 Ensors Accountants LLP

.....
Barry Gostling FCCA DChA– Senior Statutory Auditor

02 December 2016

For and on behalf of:

Ensors Accountants LLP
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

Independent Reporting Accountant's Assurance Report on Regularity to Avocet Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 29 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Avocet Academy Trust during the period 1 September 2015 to 31 August 2016 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 Avocet Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Avocet Academy Trust 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 Avocet Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Avocet Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Avocet Academy Trust's funding agreement with the Secretary of State for Education dated 31 October 2014 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 1 September 2015 to 31 August 2016 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 2015 to 2016 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.

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Ensors Accountants LLP
Statutory Auditor
Ipswich

2 December 2016

Avocet Academy Trust

Statement of Financial Activities for the Year ended 31 August 2016

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total for the year ended 31 August 2016 £	Total for the period ended 31 August 2015 £
Income and endowments from:						
Donations and capital grants	2	25,900	-	17,925	43,825	28,699
Transfer from local authority on conversion					-	9,154,945
Charitable Activities:						
Funding for the Academy Trust's educational operations	3	-	2,538,619	-	2,538,619	2,264,818
Other trading activities	4	165,172	1,750		166,922	97,707
Investments	5	282			282	745
Total		191,354	2,540,369	17,925	2,749,648	11,546,914
Expenditure on:						
Charitable activities:						
Academy's educational operations	7	133,705	2,571,354	208,456	2,913,515	2,505,062
Total	6	133,705	2,571,354	208,456	2,913,515	2,505,062
Net income / (expenditure)		57,649	(30,985)	(190,531)	(163,867)	9,041,852
Transfers between funds	18	(11,536)	(31,101)	42,637	-	-
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	28		(375,000)		(375,000)	21,000
Net movement in funds		46,113	(437,086)	(147,894)	(538,867)	9,062,852
Reconciliation of funds						
Funds brought forward at 1 September 2015		187,167	(484,871)	9,360,556	9,062,852	
Funds carried forward at 31 August 2016	18	233,280	(921,957)	9,212,662	8,523,985	9,062,852

All of the Academy's activities derive from continuing operations in the current financial Year.

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

Avocet Academy Trust

Statement of Financial Activities for the period ended 31 August 2015

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) showing comparatives by fund

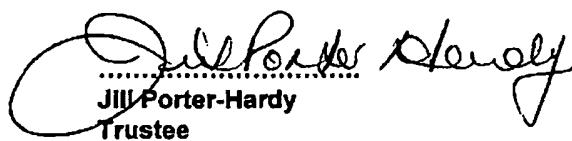
	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total for the year ended 31 August 2015 £
Income and endowments from:				
<i>Incoming resources from generated funds:</i>				
Donations and capital grants	10,890	-	17,809	28,699
Transfer from local authority on conversion	261,810	(565,000)	9,458,135	9,154,945
<i>Charitable Activities:</i>				
Funding for the Academy's educational operations	-	2,264,818	-	2,264,818
Other Trading Activities	95,784	1,923		97,707
Investments	745	-	-	745
Total	369,229	1,701,741	9,475,944	11,546,914
Resources expended				
<i>Charitable activities:</i>				
Academy's educational operations	156,723	2,186,143	162,196	2,505,062
Total	156,723	2,186,143	162,196	2,505,062
Net income/(expenditure)	212,506	(484,402)	9,313,748	9,041,852
Transfers between funds	(25,339)	(21,469)	46,808	-
Other recognised gains and losses				
Actuarial (losses)/gains on defined benefit pension schemes	-	21,000	-	21,000
Net movement in funds	187,167	(484,871)	9,360,556	9,062,852
Reconciliation of funds				
Funds brought forward on incorporation	-	-	-	-
Funds carried forward at 31 August 2015	187,167	(484,871)	9,360,556	9,062,852

Avocet Academy Trust

Balance sheet as at 31 August 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	12	6,906	10,094
Tangible assets	13	<u>9,156,955</u>	<u>9,309,417</u>
		<u>9,163,861</u>	<u>9,319,511</u>
Current assets			
Stock	14	2,314	1,096
Debtors	15	142,786	93,767
Cash at bank and in hand		<u>449,613</u>	<u>465,009</u>
		<u>594,713</u>	<u>559,872</u>
Liabilities			
Creditors: Amounts falling due within one year	16	<u>(235,329)</u>	<u>(225,192)</u>
Net current assets		<u>359,384</u>	<u>334,680</u>
Total assets less current liabilities		9,523,245	9,654,191
Creditors: Amounts falling due after more than one year	17	<u>(10,260)</u>	<u>(13,339)</u>
Net assets excluding pension liability		<u>9,512,985</u>	<u>9,640,852</u>
Pension scheme liability	28	<u>(989,000)</u>	<u>(578,000)</u>
Net assets including pension liability		<u>8,523,985</u>	<u>9,062,852</u>
Funds of the academy:			
Restricted funds			
Fixed asset funds	18	9,212,662	9,360,556
General funds	18	67,042	93,129
Pension reserve	18	<u>(989,000)</u>	<u>(578,000)</u>
Total restricted funds		<u>8,290,704</u>	<u>8,875,685</u>
Unrestricted income funds			
General fund	18	<u>233,281</u>	<u>187,167</u>
Total unrestricted funds		<u>233,281</u>	<u>187,167</u>
Total funds		<u>8,523,985</u>	<u>9,062,852</u>

The financial statements on pages 15 to 38 were approved by the trustees, and authorised for issue on 2 December 2016 and are signed on their behalf by:



 Jill Porter-Hardy
 Trustee

Company Limited by Guarantee
 Registration Number 09254238

Avocet Academy Trust

Cash Flow Statement for the Year Ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	13,252	186,232
Cash flows from investing activities	23	(25,570)	(28,254)
Cash flows from financing activities	24	(3,078)	-
Cash transferred on conversion to an academy trust		-	307,031
Change in cash and cash equivalents in the reporting period		<u>(15,396)</u>	<u>465,009</u>
Cash and cash equivalents at 1 September 2015		465,009	-
Cash and cash equivalents at 31 August 2016	25	<u>449,613</u>	<u>465,009</u>

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

First time adoption of FRS 102

These financial statements are the first financial statements of Avocet Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Avocet Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 31.

Explanation of transition to FRS102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS102 and SORP 2015 was therefore 1 September 2015. As a consequence of adopting FRS102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Going Concern

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

Per the Statement of Financial Activities the Academy has restricted general reserves of (£921,957). This is due to the pension reserve of (£989,000), which is payable out of future annual income and therefore does not cause any issues for the going concern of the Academy.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting Policies (continued)

Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants receivable**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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 restricted fixed asset funds.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions) where there is certainty of receipt and the amount can be reliably measured.

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting Policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software	25% (4 years)
-------------------	---------------

Tangible Fixed Assets

Assets costing £1,000 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long leasehold land and buildings	2% (50 years)
Furniture and equipment	20% (5 years)
ICT equipment	25% (4 years)

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

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting Policies (continued)

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased Assets

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

Stock

Stocks are valued at the lower of cost and 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 Part 11, Chapter 3 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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1 Accounting Policies (continued)

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from Education Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions includes the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying amount of the pension liability.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Capital Grants	-	17,925	17,925	17,809
Donations	25,900	-	25,900	10,890
	<u>25,900</u>	<u>17,925</u>	<u>43,825</u>	<u>28,699</u>

3 Funding for Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	2,088,969	2,088,969	1,707,172
Start-up grants	-	-	-	79,697
Pupil premium	-	196,560	196,560	161,465
Other DfE/EFA grants	-	86,901	86,901	138,685
	<u>-</u>	<u>2,372,430</u>	<u>2,372,430</u>	<u>2,087,019</u>
Other Government grants				
Local authority grants	-	166,189	166,189	177,799
	<u>-</u>	<u>166,189</u>	<u>166,189</u>	<u>177,799</u>
	<u>-</u>	<u>2,538,619</u>	<u>2,538,619</u>	<u>2,264,818</u>

4 Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Hire of facilities	18,592	-	18,592	7,189
Catering income	42,493	-	42,493	32,998
Income from Educational Trips	33,625	-	33,625	27,846
Other income	70,462	1,750	72,212	29,674
	<u>165,172</u>	<u>1,750</u>	<u>166,922</u>	<u>97,707</u>

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Bank interest	282	-	282	745
	<u>282</u>	<u>-</u>	<u>282</u>	<u>745</u>

Avocet Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

6 Expenditure

	Staff Costs £	Non Pay Expenditure Premises £	Other Costs £	Total 2016 £	Total 2015 £
Expenditure on raising funds					
Academy's educational operations					
Direct costs	1,830,088	188,380	228,158	2,246,626	1,864,998
Allocated support costs	200,192	106,761	359,936	666,889	640,064
	<u>2,030,280</u>	<u>295,141</u>	<u>588,094</u>	<u>2,913,515</u>	<u>2,505,062</u>

	2016 £	2015 £
Net income/(expenditure) for the period includes:		
Operating lease rentals	847	1,445
Depreciation	205,267	159,540
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	3,188	2,656
Fees payable to auditor for:		
Audit	6,900	6,900
Other services	3,700	1,850
	<u>219,902</u>	<u>172,391</u>

7 Charitable Activities

		Total 2016 £	Total 2015 £
Direct costs – educational operations		2,246,626	1,864,998
Support costs – educational operations		666,889	640,064
		<u>2,913,515</u>	<u>2,505,062</u>
	Educational Operations £	Total 2016 £	Total 2015 £
Analysis of support costs			
Support staff costs	190,422	190,422	149,676
Technology costs	34,385	34,385	42,034
Premises costs	106,762	106,762	82,544
Other support costs	305,950	305,950	325,711
Governance costs	29,370	29,370	40,099
	<u>666,889</u>	<u>666,889</u>	<u>636,064</u>

Avocet Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff

(a) Staff costs

	2016 £	2015 £
Staff costs during the period were:		
Wages and salaries	1,616,659	1,374,431
Social security costs	106,950	76,022
Operating costs of defined benefit pension schemes	301,602	240,938
	<u>2,025,211</u>	<u>1,691,391</u>
Supply staff costs	5,069	11,838
	<u>2,030,280</u>	<u>1,703,229</u>

(b) Staff numbers

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

	2016 No.	2015 No.
Charitable Activities		
Teachers	22	34
Administration and support (includes teaching assistants)	58	71
Management	3	3
	<u>83</u>	<u>108</u>

(c) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 No.	2015 No.
£60,001 - £70,000	2	3

(d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £349,591 (2015: £278,453).

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

9 Central services

The academy trust has provided the following central services to its academies during the period:

- human resources
- payroll
- financial services
- insurance
- procurement
- clerking services
- principals and Business Leader costs
- educational support services

The trust charges for these services by taking the cost of these services and allocated these to each school based on the number of pupils attending each school.

The actual amounts charged during the period were as follows:

	2016	2015
	£	£
Easton Primary School	73,288	27,322
Leiston Primary School	142,153	105,940
Wickham Market Primary School	77,708	61,902
	<u>293,149</u>	<u>195,164</u>

10 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The co-principals and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration was as follows:

C Singleton (co-principal and trustee):	
Remuneration	£80,000 - £65,000 (2015: £50,000 - £55,000)
Employers' pension contributions	£10,000- £15,000 (2015: £5,000- £10,000)
J Stanley-Bell (co-principal and trustee):	
Remuneration	£60,000 - £65,000 (2015: £50,000 - £55,000)
Employers' pension contributions	£10,000- £15,000 (2015: £5,000- £10,000)
J Porter-Hardy (business leader and trustee):	
Remuneration	£30,000 - £35,000 (2015: £25,000 - £30,000)
Employers' pension contributions	£5,000- £10,000 (2015: £5,000- £10,000)

During the year ended 31 August 2016, travel, administration and curriculum expenses totalling £195 (2015: £415) were reimbursed or paid directly to 3 trustees (2015: 2 trustees)

Other related party transactions involving the trustees are set out in note 29.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

12 Intangible Fixed Assets

	Computer Software £	Total £
Cost		
At 1 September 2015	12,750	12,750
Additions		
At 31 August 2016	12,750	12,750
Amortisation		
At 1 September 2015	2,656	2,656
Charged in year	3,188	3,188
At 31 August 2016	5,844	5,844
Carrying Amount		
At 31 August 2015	10,094	10,094
At 31 August 2016	6,906	6,906

13 Tangible Fixed Assets

	Long Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2015	9,432,409	16,066	20,482	9,468,957
Additions	-	23,105	29,700	52,805
At 31 August 2016	9,432,409	39,171	50,182	9,521,762
Depreciation				
At 1 September 2015	157,205	1,581	754	159,540
Charged in year	188,380	5,689	11,198	205,267
At 31 August 2016	345,585	7,270	11,952	364,807
Net book values				
At 31 August 2015	9,275,204	14,485	19,728	9,309,417
At 31 August 2016	9,086,824	31,901	38,230	9,156,955

Long leasehold Land and Buildings are being leased from the Suffolk County Council for a period of 125 years. There is also a leaseback arrangement in place relating to specific rooms at one of the schools, also for a period of 125 years.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

14 Stock

	2016 £	2015 £
Heating oil and wood pellets	2,314	1,096
	<u>2,314</u>	<u>1,096</u>

15 Debtors

	2016 £	2015 £
Trade debtors	1,323	690
VAT recoverable	19,054	34,252
Other debtors	242	2,909
Prepayments and accrued income	122,167	55,916
	<u>142,786</u>	<u>93,767</u>

16 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	86,283	78,996
Taxation and social security	32,005	25,818
Other creditors	36,657	39,673
Accruals and deferred income	80,384	80,705
	<u>235,329</u>	<u>225,192</u>

Deferred income

	2016 £	2015 £
Deferred Income at 1 September 2015	43,255	-
Resources deferred in the year	41,284	43,255
Amounts released from previous years	(43,255)	-
Deferred Income at 31 August 2016	<u>41,284</u>	<u>43,255</u>

17 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	10,260	13,339
	<u>10,260</u>	<u>13,339</u>

Included within other creditors, due in less than 1 year and within the amounts due in more than 1 year, is a Salix loan amounting to £13,339, transferred as part of the transfer agreement and is repayable over 5 years

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

18 Funds

	Balance at 1 September 2015 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	-	2,088,969	(1,955,128)	(131,268)	2,573
Start-up grants	49,993	-	(21,240)	(9,346)	19,407
Other DfE/EFA grants	42,471	283,462	(277,238)	(4,487)	44,208
Other restricted funds	664	167,938	(167,748)	-	854
Pension reserve	(578,000)	-	(150,000)	(261,000)	(989,000)
	(484,872)	2,540,369	(2,571,354)	(406,101)	(921,958)
Restricted fixed asset funds					
DfE/EFA capital grants	36,131	17,925	(8,987)	13,833	58,902
Capital expenditure from GAG	-	-	(2,822)	17,268	14,446
Donations and gifted assets	9,300,930	-	(188,380)	-	9,112,550
Other capital funds	23,495	-	(8,267)	11,536	26,764
	9,360,556	17,925	(208,456)	42,637	9,212,662
Total restricted funds	8,875,684	2,558,294	(2,779,810)	(363,464)	8,290,704
Unrestricted funds					
Unrestricted funds	187,168	191,353	(133,704)	(11,536)	233,281
Total unrestricted funds	187,168	191,353	(133,704)	(11,536)	233,281
Total funds	9,062,852	2,749,647	(2,913,514)	(375,000)	8,523,985

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

- The General annual Grant (GAG) is used for the normal running costs of the academy. There is no limit on the GAG funds that can be carried forward.
- The Start Up Grants is being used assist with getting the academy operational.
- Other DfE/EFA grants are various specific grants provided to the academy from the EFA.
- Other restricted funds include income and expenditure in relation to other specific grants from the Local Authority and other sources for specific educational projects.
- Donations and gifted assets represents assets and capital grants gifted on conversion.

The trust is carrying a net surplus of £67,042 on restricted general funds (excluding pension reserve) and a net surplus of £233,281 on unrestricted funds.

Transfers between funds comprise the following:-

- Transfer of pension contributions from GA to restricted pension reserve - £114,000.
- Transfer of fixed assets purchased using the Start-up grant to the fixed asset fund - £9,346
- Transfer of fixed assets purchased using other DfE/EFA grants to the fixed asset fund - £4,487
- Transfer of fixed assets purchased using the general annual grant (GAG) to the fixed asset fund - £17,268.
- Transfer of fixed assets purchased using unrestricted funds to the fixed asset fund - £11,536.

Avocet Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

18 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows:

	2016 £	2015 £
Easton Primary School	107,939	108,540
Leiston Primary School	109,681	92,338
Wickham Market Primary School	37,010	(1,436)
Central Services	45,693	80,854
Total before fixed assets and pension reserve	300,323	280,296
Restricted fixed asset fund	9,212,662	9,360,556
Pension reserve	(989,000)	(578,000)
Total	8,523,985	9,062,852

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2016 £	Total 2015 £
Easton Primary School	252,769	29,379	13,782	92,434	388,364	341,408
Leiston Primary School	890,790	60,406	41,990	233,564	1,226,750	1,042,846
Wickham Market Primary School	529,511	59,869	22,043	162,336	773,759	682,074
Central services	163,489	44,067	-	108,630	316,186	272,538
Academy trust	1,836,559	193,721	77,815	596,964	2,705,059	2,338,866

Avocet Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

19 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2016 £	Total Funds 2015 £
Tangible fixed assets	-	-	9,163,861	9,163,861	9,319,511
Current assets	246,375	283,120	65,218	594,713	559,872
Current liabilities	(13,094)	(216,078)	(6,157)	(235,329)	(225,192)
Non-current liabilities	-	-	(10,260)	(10,260)	(13,339)
Pension scheme liability	-	(989,000)	-	(989,000)	(578,000)
Total net assets	233,281	(921,958)	9,212,662	8,523,985	9,062,852

20 Capital commitments

The academy had no capital commitments at the year end.

21 Commitments under operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	515	1,056
Amounts due between one and five years	102	655
	617	1,711

22 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016 £	2015 £
Net income for the year as per the statement of financial activities	(163,867)	9,041,852
Adjusted for:		
Amortisation [note 12]	3,188	2,656
Depreciation [note 13]	205,267	159,540
Capital grants from DfE/EFA and other capital income	(29,443)	(17,809)
Fixed Assets transferred from Local Authorities	-	(9,432,409)
Pension scheme deficit transferred in	-	565,000
Salix loan transferred from Local Authorities	-	19,495
Cash transferred from Local Authorities	-	(307,031)
Interest receivable [note 5]	(282)	(745)
Defined benefit pension scheme cost less contributions payable (note 28)	14,000	17,000
Defined benefit pension scheme cost (note 28)	22,000	17,000
(Increase)/decrease in stocks	(1,218)	(1,096)
(Increase)/decrease in debtors	(49,019)	(93,767)
Increase/(decrease) in creditors	12,626	216,546
Net cash provided by/(used in) operating activities	13,252	186,232

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

23 Cash flows from Investing activities

	2016 £	2015 £
Bank interest	282	745
Purchase of tangible fixed assets	(55,295)	(46,808)
Capital grants from DfE/EFA	17,925	17,809
Capital funding received from donors	11,518	-
Net cash outflow from investing activities	<u>(25,570)</u>	<u>(28,254)</u>

24 Cash flows from financing activities

	2016 £	2015 £
Repayment of Salix loan	(3,078)	-
Net cash (used in) financing activities	<u>(3,078)</u>	<u>-</u>

25 Analysis of Cash and Cash Equivalents

	2016 £	2015 £
Cash at bank	349,252	364,956
Notice deposits (less than 3 months)	100,282	100,000
Petty cash	79	53
Cash and cash equivalents at 31 August	<u>449,613</u>	<u>465,009</u>

26 Contingent Liabilities

The academy had no contingent liabilities at the year end.

27 Members' Liability

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

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

28 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, which is managed by Suffolk County Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £33,235 (2015: £32,972) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge;
- 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; and
- 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%.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

28 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

The employer's pension costs paid to TPS in the period amounted to £173,636 (2015: £124,493).

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

Under the definitions set FRS 102, 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

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £139,000 (2015: £121,000), of which employer's contributions totalled £114,000 (2015: £99,000) and employees' contributions totalled £25,000 (2015: £22,000). The agreed contribution rates for future years are 25.6% for employers and variable % for employees dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £13,600	5.50%
£13,601 - £21,200	5.80%
£21,201 - £34,400	6.50%
£34,401 - £43,500	6.80%
£43,501 - £60,700	8.50%
£60,701 - £86,000	9.90%
£86,001 - £101,200	10.50%

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 2016	At 31 August 2015
Rate of increase in salaries	4.1%	4.6%
Rate of increase for pensions in payment / inflation	2.1%	2.7%
Discount rate for scheme liabilities	2.1%	3.8%

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Changes in assumptions at 31 August 2016	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14%	247
1 year increase in member life expectancy	3%	52
0.5% increase in the Salary Increase Rate	6%	96
0.5% Increase in the Pension Increase Rate	8%	143

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.4	22.4
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	24.3	24.3
Females	26.9	26.9

The academy trust's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	514,000	339,000
Bonds	149,000	107,000
Property	75,000	55,000
Cash	7,000	5,000
	<u>745,000</u>	<u>506,000</u>

The actual return on scheme assets was 10.5% (2015:7.1%)

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	128,000	116,000
Net interest cost	22,000	17,000
Total operating charge	150,000	133,000

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

	2016 £	2015 £
At 1 September 2015	1,084,000	-
Upon conversion		931,000
Current service cost	128,000	116,000
Interest cost	44,000	31,000
Employee contributions	25,000	22,000
Actuarial (gain)/loss	453,000	(16,000)
At 31 August	1,734,000	1,084,000

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

	2016 £	2015 £
At 1 September 2015	506,000	-
Upon conversion	-	368,000
Interest Income	22,000	14,000
Return on plan assets (excluding net interest on the net defined pension liability)	78,000	5,000
Employer contributions	114,000	99,000
Employee contributions	25,000	22,000
At 31 August	745,000	506,000

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

29 Related Party Transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. No related party transactions took place in the period with such organisations.

Mrs Heidi Norman is the wife of a trustee and during the year she was employed by the academy as a teacher. The value of her remuneration was as follows:

Remuneration	£40,000 - £45,000 (2015: £30,000 - £35,000)
Employers' pension contributions	£5,000 - £10,000 (2015: £0 - £5,000)

30 Connected charities

During the accounting period the Academy Trust was connected to the following charities;

- The Friends of Leiston primary school. This registered charity was established to advance the education of the pupils at Leiston primary school. As at 31 August 2016 this charity's net assets/funds stood at £6,532. Gross income for the period was £11,584 and expenditure was £11,605, leading to a deficit of £19.
- The Easton Primary School Association. This registered charity was established to advance the education of the pupils at Easton primary school.
- As at 30 September 2016 this charity's net assets/funds stood at £7,740. Gross income for the period was £6,478 and expenditure was £4,514, leading to a surplus of £1,964.
- The Wickham Market community Primary School, This registered charity was established to advance the education of the pupils at Wickham Market primary school. As at 31 August 2016 this charity's net assets/funds stood at £4,202. Gross income for the period was £5,249 and expenditure was £8,759, leading to a deficit of £3,510.

31 Reconciliation to SORP 2005

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net income/(expenditure)	Notes	31 August 2015 £
Net income / expenditure previously reported under UK GAAP		9,045,852
Change in recognition of LGPS Interest cost		(4,000)
Net income/(expenditure) reported under FRS102		<u>9,041,852</u>

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in net interest expenses. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in interest expenses. There has been no change in the defined benefit liability at either 1 November 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expenses by £4,000 and increase the credit in other recognised gains and losses in the SOFA by an equivalent amount.



CHARTERED ACCOUNTANTS

Cardinal House, 46 St Nicholas Street
Ipswich, Suffolk IP1 1TT

T: 01473 220022 F: 01473 220033
E: mail@ensors.co.uk W: www.ensors.co.uk

Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ

16 June 2017

Our ref: BDG/RAJF/G01210/2196459

Dear Sir

Gymvee Limited – 01360091

The documents indicated below are enclosed for filing:

- | | |
|---|---------|
| 1. Change in situation of Registered Office | _____ |
| 2. Change in particulars of Directors/Secretary | _____ |
| 3. Copy of Resolution passed on _____ | _____ |
| 4. A copy of the accounts for the year ended
30 th September 2016 | _____ ✓ |
| 5. Notice of change in accounting reference date. | _____ |
| 6. Application for striking off with a cheque for £10 | _____ |
| 7. Resignation as auditors of the above named company | _____ |

We shall be grateful if you will acknowledge receipt of the above documents and to assist you, we enclose a copy of this letter for stamping together with a stamped addressed envelope for you to return to us.

Yours faithfully

For and on behalf of Ensors Accountants LLP
Encs

Also at: • Bury St Edmunds • Cambridge • Huntingdon • London • Saxmundham

Ensors is the trading name of Ensors Accountants LLP, a limited liability partnership registered in England & Wales under number OC396130. A list of members' names together with a list of non-members who are designated as partners is available for inspection at our registered office, Cardinal House, 46 St Nicholas Street, Ipswich IP1 1TT.

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Mark Upton and David Scrivener are licensed to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales.

