Company Registration No. 08366005 (England and Wales)

# CONYERS SCHOOL

# (A COMPANY LIMITED BY GUARANTEE)

# TRUSTEES' REPORT AND AUDITED ACCOUNTS

# FOR THE YEAR ENDED 31 AUGUST 2015

# CONYERS SCHOOL

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# CONYERS SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|---|---|
| **Governors** | Mr J Owen-Hughes (Chair of Governors) (Resigned 20 May 2015)<br>Mrs J Coleman (Vice-Chair)<br>Mr P Addison<br>Dr H Ardley<br>Mr C Beaumont<br>Mrs P Brooks<br>Mr R Cousin<br>Mrs J D'Ambrosio (Staff Governor)<br>Mr J Downs (Staff Governor)<br>Mrs K Evans<br>Mrs S Evans<br>Rev W Ford<br>Mrs R Houchen (Staff Governor)<br>Ms F Johnson<br>Miss S Leonard<br>Mr J O'Boyle<br>Mrs J Scott<br>Mrs L Spellman (Accounting Officer)<br>Miss A Wilson<br>Mr J Carter (Appointed 18 March 2015) |
| **Members** | Mr J Owen-Hughes (resigned 20 May 2015)<br>Mr C Beaumont<br>Mrs P Brooks<br>Ms F Johnson<br>Mrs L Spellman |
| **Senior management team** | |
| - Headteacher | Mrs L Spellman |
| - Deputy Headteacher | Mr J Downs |
| - Director of Care Support & Guidance | Mr M Maggiore |
| - Director of CPD | Mrs B Oxlee |
| - Director of Teaching and Learning | Mr C Aitkin |
| - Director of Business and Finance | Mrs C Dunn |
| - Director of Curriculum Systems | Mr B Whittingham |
| - Director of Progress and Standards | Mr N Skerry |
| **Company secretary** | Mrs C Dunn |
| **Company registration number** | 08366005 (England and Wales) |
| **Registered office** | Green Lane<br>Yarm<br>Stockton on Tees<br>TS15 9ET |

# CONYERS SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|---|---|
| **Independent auditor** | Evolution Business and Tax Advisors LLP<br>Wynyard Park House<br>Wynyard Avenue<br>Wynyard<br>TS22 5TB |
| **Bankers** | Lloyds Bank plc<br>2nd Floor<br>Skinnergate<br>Darlington<br>County Durham<br>DL3 7ND |
| **Solicitors** | Legal Services<br>Stockton Borough Council<br>Municipal Buildings<br>Church Road<br>Stockton on Tees<br>TS18 1LD<br><br>Muckle LLP<br>Time Central<br>32 Gallowgate<br>Newcastle upon Tyne<br>NE1 4BF |

# CONYERS SCHOOL

## TRUSTEES' REPORT

## *FOR THE YEAR ENDED 31 AUGUST 2015*

The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in Stockton South. It has a pupil capacity of 1366 and had a roll of 1313 in the school census on 2 October 2014.

**Structure, governance and management**

Constitution

Conyers School is a company limited by guarantee and an exempt charity. It was incorporated on 18 January 2013 and opened as an academy on 1 February 2013. The academy generally refers to itself as a school rather than an academy and for the purposes of this document the 'school' will refer to Conyers School. The memorandum and articles of association are the primary governing documents of the school.

The governors act as the trustees for the charitable activities of Conyers School and are also the directors of the charitable company for the purposes of company law.

Details of the governors 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 £10.00 for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Governors benefit from indemnity insurance purchased by the school to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the school, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal defence to a criminal prosecution brought against the governors in their capacity as directors of the school. The limit of this indemnity is £5,000,000.

In accordance with normal commercial practice the school has purchased insurance to protect governors and staff from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £250,000 on any one claim.

Method of recruitment and appointment or election of governors

On 1 February 2013 the directors appointed all those governors that served the predecessor school to be governors of the newly formed academy. These governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

In accordance with the articles of association 45 - 64 the governors are appointed as follows:

a) A maximum of 9 community governors;
b) A maximum of 3 staff governors, appointed through such a process as they may determine by ordinary resolution, provided that the number of governors (including the Headteacher) who are employees of the school does not exceed one third of the total number of governors;
c) Up to one LA governor;
d) A minimum of 2 and a maximum of 6 parent governors;
e) The Headteacher;
f) Any additional governors, if appointed under Article 62, 62A or 68A; and
g) Any further governors, if appointed under Article 63 or Article 68A.

The school may also have a maximum of 3 co-opted governors under Article 59.

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Any governor can be re-appointed or re-elected providing they still fulfil the citeria of the articles of association.

Policies and procedures adopted for the induction and training of governors

The school is provided with support from the School and Governor Support of the LA in the form of a service level agreement, all governors have access to the LA training programme for governors. All governors are provided with copies of policies, procedures, minutes, accounts, budgets plans and any other documents that they will need to undertake their role as a governor.

Organisational structure

The school shall hold an Annual General Meeting in addition to any other meetings in the year. The full governing body normally meets once each half term (six times a year) along with the leadership and management committee and leadership and management finance committee. Other committee meetings take place three times a year.

The governing body establish an overall framework for the governance of the school and determine membership, terms of reference and procedures of committees and other groups which are reviewed on an annual basis. It receives reports including policies from its committees for ratification. It monitors the work of the committees through minutes and verbal reports of the chair of each committee.

The committees are:

- Leadership and Management;
- Leadership and Management Finance;
- Teaching and Learning;
- Care Support and Guidance; and
- Curriculum and Standards.

Each committee is attended by a member of the executive team and the responsibilities of each committee are listed in the School Development Plan and reviewed each year.

The trustees and board of governors have devolved responsibility for day to day management of the school to the Headteacher.

The Headteacher is the Accounting Officer.

Related parties and other connected charities and organisations

The school does not work in federation with any other organisation but is developing relationships with other schools where these partnerships assist in the achievement of our objectives.

**Objectives and activities**

Objects and aims

The principal objectives of the school are:

- To advance for the public benefit, education in the United Kingdom, in particular by managing and developing a school offering a broad and balanced curriculum; and
- To promote for the benefit of the inhabitants of Yarm and the surrounding areas the provision of facilities for recreation.

At Conyers our core values are self-belief, mutual respect and pride in our community.

At Conyers we aim to develop:

- Independent, determined students who will achieve their potential;
- Creative, confident learners who will embrace opportunity; and
- Enthusiastic, empathetic people who will contribute positively to their community.

Objectives, strategies and activities

The main objectives of the Academy during 2014/15 were:

- Key Priority 1: Teaching and Learning: Outstanding teaching is at the heart of everything that we do and leads to excellent outcomes for students.
- Key Priority 2: Sixth Form Provision: To further develop Sixth Form provision to ensure that outcomes are high, progress strong and students are confidently able to make informed decisions about their future.
- Key Priority 3: Pupil Progress: To provide a wide range of targeted intervention strategies through the effective use of progress data, that lead to outstanding outcomes and successful progression for all.
- Key Priority 4: Curriculum: To ensure a rich and varied curriculum leads to outstanding outcomes and successful progression for all.
- Key Priority 5: Behaviour: Excellent behaviour ensures that students feel safe and make outstanding progress.
- Key Priority 6: Professional Learning: To ensure that all staff continue to develop through involvement in high quality professional learning for themselves and in support of others.

Public benefit

The governors 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.

**Strategic report**

Achievements and performance

The school has been recognised in a number of ways over recent years:

- Ofsted 'Good' 2014
- TES Inspirational Teacher of the Year 2012 (Winner)
- TES Outstanding CPD Initiative 2010 (Winner)
- TES Humanities Team of the Year 2013 (Finalist)
- Evening Gazette and Newcastle Journal 'Inspirational Secondary Teacher of the Year' School Awards Finalist (2010), Shortlisted (2013)
- DfE films made 'Amazing People'
- NPQH Placement centre
- Stockton SCITT Lead
- Leadership Partner School
- International School Award
- Eco Schools Award
- Our School' CBBC Documentary Programme 2014
- Teaching School Alliance Strategic Partner

Key performance indicators

**School Evaluation of Achievements**

| **Achievement** | **Overall Grade: Good** | **Revision Date:** October 2015 | **Author: JCD** |
|---|---|---|---|
| **Summary** | 2015 outcomes in general maintained the improvement seen in 2014 .<br>An evaluation of progress will need to wait for the publication of RAISE.<br>Outcomes for disadvantaged students improved. There was a reduction in gaps with national other students.<br>EP percentages in English & Maths are above national averages. MEP percentages are in line with national averages.<br>GCSE attainment in almost all subjects is significantly above national averages of A*C percentages. For A*A percentages are in line with national.<br>Overall attainment in GCSE (5+ A*CEM and APS) remains high compared to national averages.<br>Overall progress in the Sixth Form is excellent for A2 and in the majority of subjects. At AS overall progress was good although outcomes for some subjects need improving .<br>Retention from Y12 and Y13 was not as strong as previous years.<br>Evaluation is based on students' best results in Maths & English. | | |

| **Sub-criterion** | **Key phrases from the criteria** | **Grade** | **Main strengths and weaknesses** |
|---|---|---|---|
| **Pupils' progress and learning** | **Sixth form provision** L3VA progress measures are above national rates (and no significant subjects (with large entries) are below them). | **Outstanding** | KS5 (2014 data) [A2 Alps report: p27&37; AS Alps report p27&37]<br>2015 ALPs VA quality & breadth scores of 2 for A2 indicates excellent overall progress. All subjects with more than 2 entries apart from psychology were Alps 5 or better. 74% (68%) grades met or exceeded target.<br>2015 ALPs VA quality & breadth scores of 4 for AS indicates good overall progress although weaker than 2014. Subjects with >10 entries that need to improve outcomes are Chemistry, E Lit, H&SC, Physics and Sociology. 62% (68%) grades met or exceeded target.<br>KS4 (Three & four or more levels progress from KS2 -> KS4 compared to national averages) |
| | The proportions of pupils making expected progress **are in line** with national figures. | **Good** | Overall progress is in line with national percentages. (Best entry transition matrices)<br>English 2015 +3% & -3% 2014 +11% & +4%, 2013 +5% & +4% , 2012 +12%<br>Maths 2015 +8% & -1% 2014 +11% & +5%, 2013 + 7% & + 3%, 2012 0%<br>Maths percentages for those students (84) who took the KS2 SAT were +19% and +5%<br>Transition matrices show that expected progress in English is above national averages for all ability groups while expected progress in maths for all ability groups is well above national averages for L4 students but below for L3&L5. |
| | The proportion of pupils making more than expected progress are close to national averages. | **Good** | Overall VA for Science and Humanities is significantly positive and in Languages VA which is in line continues to improve. R39.<br>Overall VA for all groups is above the average for their group with boys, girls, middle ability and high ability students significantly positive. R42<br>More than expected progress is close to national averages for L3 & L4 students in both subjects but below national average for L5 students. |

| | | | |
|---|---|---|---|
| **Pupils' skill development** | Pupils acquire knowledge and develop a wide range of skills to great effect in RWCM. They are exceptionally well prepared for the next stage in their education, training or employment.<br><br>The proportion of pupils making more than expected progress are close to national averages. | **Outstanding** | English Language GCSE A*C; 2015 83%, 2014 83%, 2013 73%, 2012 82%, 2011 86%, 2010 82%, 2009 78%<br>Maths GCSE A*C; 2015 90%, 2014 87%, 2013 81%, 2012 79%, 2011 86%, 2010 79%, 2009 75%<br>All students in KS4 follow an appropriate level 2 ICT course and the overall pass rate is more than 90%.<br><br>Threshold percentages and capped average point's scores significantly above national average for the last three years shows that understanding in different subjects is secure.<br><br>Destination measures are strong with very few NEETs. |
| **Pupils' attainment** | Attainment of almost all groups of students is above national averages, including attendance. Pupils, including those in sixth form provision, acquire knowledge quickly and develop their understanding rapidly in a wide range of different subjects across the curriculum.<br><br>Standards of attainment in the sixth form are above national averages. | **Outstanding** | KS5<br>A*/B percentage was 62%, 7% up on 2014 and the best in Stockton.<br>Average point score per pupil 850.<br>KS4 (best entry compared to 2014 national averages)<br>5+A*CEM; 2015 + 22% 2014 +22%, 2013 +10%, 2012 +15%, 2011 +22%, 2010 +20%, school figures<br>Capped APS; 2015 +50 2014 +55, 2013 +25, 2012 +34, 2011 +36, 2010 +28, R23<br>All differences are significantly positive.<br>Capped total point score is significantly above national average for all groups except School Action Plus and Pakistani. R31&32<br>At KS4 attainment (A*C) is strong in nearly all subject areas. In 18 subjects this difference is significantly positive. At A*A nearly all subjects are above national percentages but only 3 significantly positive.<br>There was only 1 U grade across all subjects.<br>Overall absence data is consistently below the median trendline for the school's FSM level. R15<br>Rates for all groups of pupils are below national averages apart from W&B Caribbean (4 students). R16 |

| | | | |
|---|---|---|---|
| **Closing gaps** | The attainment and progress of disadvantaged pupils are similar to or improving in relation to those of other pupils nationally. | **Good** | Disadvantaged student Gaps with other pupils nationally remain. (school data based on best entry)<br>5A*CEM 2015 -1% gap eliminated<br>APS in English 2014 -1, 2013 -6.2, 2012 -4.3 gap closing<br>APS in Maths 2014 -4.7, 2013 -1.9, 2012 -5.6 gap increased<br>APS best eight 2014 -7, 2013 -21, 2012, -22, gap closing<br>Expected progress in English 2015, L3 +34, L4 -25(2), L5 +10 (number of students required to eliminate gap)<br>Expected progress in Maths 2015, L3 -13 (1), L4 +1, L5 +8<br>SEN Groups<br>Overall progress is in line with and above national averages for all SEN groups R41<br>Expected progress in English, Maths is in line with national percentages for each group apart from 3 School Action Plus students in English. R44<br>Minority Ethnic Groups<br>Groups are small; Progress is in line with national averages for all groups. R35<br>More Able Students [Level 5 KS2]<br>English; Expected progress +4%, More than expected progress -6% versus national percentages.<br>Mathematics; Expected progress +4%, More than expected progress -3% versus national percentages. |
| **To ensure outstanding we need to** | • Continue to improve the quality of teaching, supported by targeted interventions (enabled by effective use of Pupil Premium funding) at all 3 key stages, informed by accurate monitoring data.<br>• To develop strategies in Maths & English to increase the proportion of L5 students making 4 or more levels.<br>• To maintain strong outcomes, in attainment & progress, for disadvantaged students. Action plan to be reviewed.<br>• To increase the proportion of students achieving A*C and A*A grades in English Language.<br>• To increase the proportion of students achieving A*A grades across the curriculum.<br>• To improve outcomes for weaker performing subjects in the sixth form especially at AS. | | |

Going concern

Taking into account consideration of all the relevant facts and circumstances and after making appropriate enquiries the governing body has a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern. For this reason it adopts the going concern basis preparing the financial statements.

**Financial review**

Most of the school's income is obtained from the DfE via the EFA in the form of recurring grants, the use of which is restricted for a specific purpose. The school provides a community sport facility called Go Sport, this project provides extra curricular activities for all ages in the community. In addition the school provides a music provision called Go Music, this provides peripatetic lessons and extra curricular activities for both the students in the school and feeder primaries.

The land, buildings and other assets were transferred to the school upon conversion. Land and buildings were valued at £13,360,000 on transfer. Assets were valued at £163,774. These are subject to depreciation as listed in our Financial Handbook.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff as well as delegated authority for spending.

Key financial performance indicators

The main financial performance indicator is the level of reserves held as per the balance sheet. The school prepares a balanced budget each financial year.

Pupil numbers for the year 2014 to 2015 have reduced due to the impact of the Free School. But there are currently more first choice applications for the Year 7 intake for September 2016. There are a number of new housing estates being built in our catchment area and we would ultimately expect an increase in numbers.

Staffing costs are also a performance indicator both as a percentage of GAG and as a percentage of total income. For the 2014/2015 financial year these were 91.5% (2014 - 88.6%) and 74.5% (2014 - 77.9%).

Reserves policy

The Leadership and Management Finance Committee in conjunction with the Full Governing Body aims to carry forward sufficient funds to meet the School's long term objectives and to provide working capital, whilst ensuring that it does not affect its current operational activities. The governors have determined that the appropriate level of free reserves should be £400,000 to be achieved over a five year period. This reserve at 31 August 2015 stood at £417,222.

Investment policy and powers

The school aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the school aims to invest surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these cash funds. These surplus funds are currently invested with the school's banker and are reviewed on a regular basis by the Leadership and Management Finance Committee.

Principal risks and uncertainties

The school has in place a risk register with the main items of risk being reviewed at each meeting of the Leadership and Management Finance Committee in order to identify major risks to which it is exposed.

In addition the school has a Financial Handbook in place which ensures that the systems are in place to enable sound financial management.

The school also has three Internal Assurance visits a year carried out by the external auditor and all financial processes are discussed and reviewed at each visit with a report of these visits presented to the Leadership and Management Finance Committee.

The principal risk to the school is the slight under subscription to the school as the majority of the funding is government funding through the EFA and we are dependent on the numbers of students being at capacity. To enable our numbers to grow we need to ensure that our recruitment continues to be proactive and continues to attract additonal students. A current uncertainty is the opening of a Free School in the borough which potentially will further reduce the student numbers.

Financial and risk management objectives and policies

The school is overall slightly undersubscribed. To enable our numbers to grow we need to ensure that our recruitment continues to be proactive and continues to attract additional students.

The reduction in Post 16 funding levels along with the Government's freeze on the overall education budget, the changes in funding arrangements for special educational needs and increasing costs for catering and premises could mean that budgets will become increasingly tight in forthcoming years.

The additional charges for employers in relation to Teachers Pension Scheme and National Insurance have had a major impact on costs for the school.

The governors examine the financial health of the school at each meeting of the Leadership and Management Committee; this is then reported back to the full meeting of governors. At the year end the school had no significant liabilities arising from trade creditors or debtors which would have an effect on the liquidity of the school.

**Plans for future periods**

Key priorities for 2015-16

This summary outlines the key strategic priorities to achieve our outcome targets for student standards, progress and personal well-being by moving ever-nearer to a fully personalised learning experience.

Key Stage 5

To further improve the Sixth Form provision so that students are very well prepared for the next stage of their education or work with training.

Key Stage 4

To secure outstanding outcomes and successful progression for all through a challenging curriculum, highly effective teaching, purposeful marking and enlightened use of data that informs timely and productive intervention.

Key Stage 3

To provide a wide range of targeted intervention strategies through the effective use of progress data, that leads to outstanding outcomes and successful progression for all.

Professional Learning

To sustain outstanding outcomes through skilful management of performance and effective individualised CPD for all staff

Behaviour

To maintain the culture of excellent behaviour and ensure that students feel safe and make outstanding progress.

Community

To ensure that the school's vision and ethos is clearly understood by all stakeholders and that the school plays an active role within the communities it serves.

**Funds held as custodian trustee on behalf of others**

The school and its governors do not act as custodian trustees for any other charity.

**Auditor**
In so far as the governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The governors 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' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on .....9/12/15..... and signed on its behalf by:

J. Coleman
.....

Mrs J Coleman
**Vice-Chair**

# CONYERS SCHOOL

## GOVERNANCE STATEMENT

## *FOR THE YEAR ENDED 31 AUGUST 2015*

**Scope of responsibility**

As governors we acknowledge we have overall responsibility for ensuring that Conyers School 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 misstatement or loss.

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

**Governance**

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

| Governors | Meetings attended | Out of possible |
|---|---|---|
| Mr J Owen-Hughes (Chair of Governors) (Resigned 20 May 2015) | 0 | 4 |
| Mrs J Coleman (Vice-Chair) | 6 | 6 |
| Mr P Addison | 5 | 6 |
| Dr H Ardley | 6 | 6 |
| Mr C Beaumont | 5 | 6 |
| Mrs P Brooks | 5 | 6 |
| Mr R Cousin | 5 | 6 |
| Mrs J D'Ambrosio (Staff Governor) | 5 | 6 |
| Mr J Downs (Staff Governor) | 3 | 6 |
| Mrs K Evans | 6 | 6 |
| Mrs S Evans | 6 | 6 |
| Rev W Ford | 6 | 6 |
| Mrs R Houchen (Staff Governor) | 4 | 6 |
| Ms F Johnson | 5 | 6 |
| Miss S Leonard | 3 | 6 |
| Mr J O'Boyle | 5 | 6 |
| Mrs J Scott | 6 | 6 |
| Mrs L Spellman (Accounting Officer) | 5 | 6 |
| Miss A Wilson | 5 | 6 |
| Mr J Carter (Appointed 18 March 2015) | 3 | 3 |

**Governance reviews**

The governors have completed a skills audit which helped in the allocation of Governors to Committees and identified gaps which need filling. During the academic year 14-15 the audit has been revisited to assist with the development of the next three year plan.

The Leadership and Management Finance Committee is a committee of the main board of Governors, its main purpose is to monitor the financial documents produced by the Headteacher and the Director of Business and Finance, these include financial summaries for the school, unrestricted funds, curriculum cost centres, Go Sport, Go Music and catering. It also monitors the capital funding budget and approves all financial policies.

This committee has taken on the role of audit.

An additional governor, Mr J Carter was co-opted onto the Leadership and Management Finance Committee to bring additional financial expertise to the committee. Mr J Owen-Hughes resigned from the committee on 20 May 2015.

A meetings pattern for the academic year 2015/16 has been published and there will be six meetings of the Leadership and Management Finance Committee.

The Governors self-evaluate at the start of each academic year by reviewing the composition of each of the committees and ensuring that Governors with the relevant experience are allocated to the appropriate committees.

The attendance at meetings in the year was as follows:

| Governors | Meetings attended | Out of possible |
|---|---|---|
| Mr J Owen-Hughes (Chair of Governors) (Resigned 20 May 2015) | 0 | 4 |
| Mrs J Coleman (Vice-Chair) | 6 | 6 |
| Mr P Addison | 6 | 6 |
| Mr C Beaumont | 5 | 6 |
| Mrs P Brooks | 6 | 6 |
| Mr J Downs (Staff Governor) | 5 | 6 |
| Ms F Johnson | 5 | 6 |
| Mrs L Spellman (Accounting Officer) | 6 | 6 |
| Mr J Carter (Appointed 18 March 2015) | 3 | 3 |

**Review of value for money**

As accounting officer the headteacher has responsibility for ensuring that the school 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 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 trust has delivered improved value for money during the year by:

- Reviewing its contract with the North East Training Agency. Conyers has looked at this contract and reduced the number of hours that the students attend the off site training centre. It has achieved this by bringing our suite of Engineering Rooms up to current standards through the use of our Capital Funds. This has enabled the school to deliver the curriculum in house and reduced the amount of travelling time for the students

- Reviewing the teaching staff structure and also the ICT Support Team, this has resulted in financial savings in both areas and increased capacity within the leadership team.

- The Pupil Premium Grant was allocated to support disadvantaged students and resulted in the gap between the attainment and progress of these students narrowing against the National average for all other students.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of school 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, and economically. The system of internal control has been in place in Conyers School 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 governors has reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the school'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 governors.

**The risk and control framework**

The school'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 trustees;
- regular reviews by the Leadership and Management Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However the trustees have appointed Evolution Business and Tax Advisers LLP, the external auditors, to perform additional checks. The external auditor's role includes giving advice on financial matters and performing a range of checks on the school's financial systems. In particular the checks carried out in the current period included:

- Review of monthly payroll accounts
- Review of monthly creditor and debtor aged listings
- Ensure School's Finance Handbook is up to date
- Review Management reports to Governors
- Review expense claims
- Ensure bank reconciliations have been carried out
- Test a sample of payments back to original order
- Review all purchases and contracts of a high value
- Review fixed asset register including depreciation
- Review minutes of Finance Meetings
- Review Risk Register
- Check petty cash balances
- Review procedures for Go Sport Income and Banking
- Checked that the school has reviewed its terms of reference for Governors

The visits were carried out in this financial period 1 September 2014 to 31 August 2015 on 5 and 6 February 2015 and on 19 June 2015. These were carried out as planned and were delivered on time within the agreed schedule of works. There were two medium risks in the February report concerning receipt and banking of income for our community project. No significant issues were raised during the current financial period. These reports were presented to the Leadership and Management Finance Committee at the appropriate meeting as soon as the reports were received.

## GOVERNANCE STATEMENT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2015*

**Review of effectiveness**

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

- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the Director of Business and Finance who has responsibility for the development and maintenance of the internal control framework

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

Approved by order of the board of trustees on .....9/2/15..... and signed on its behalf by:

J Coleman

Mrs J Coleman
**Vice-Chair**

Mrs L Spellman
**Accounting Officer**

# CONYERS SCHOOL

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

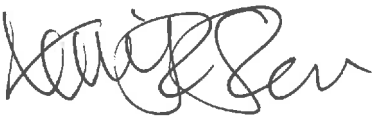
### *FOR THE YEAR ENDED 31 AUGUST 2015*

As Accounting Officer of Conyers School I have considered my responsibility to notify the school governing body 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 school 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 school governing body are able to identify any material irregular or improper use of funds by the school, or material non-compliance with the terms and conditions of funding under the school's funding agreement and the Academies Financial Handbook.

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

Approved on 9/2/15 and signed by:



Mrs L Spellman
**Accounting Officer**

# CONYERS SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The governors (who act as trustees of Conyers School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the 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 governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the governors are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The governors 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 order of the board of trustees on 9/2/15 and signed on its behalf by:

J. Coleman

Mrs J Coleman
**Vice-Chair**

# CONYERS SCHOOL

## INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF CONYERS SCHOOL

We have audited the accounts of Conyers School for the year ended 31 August 2015 set out on pages 23 to 43. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of governors and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the governors, who are also the directors of Conyers School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts 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 accounts**

In our opinion the accounts:

- 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;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## TO THE MEMBERS OF CONYERS SCHOOL

**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 accounts 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.

**Joanne Regan FCA (Senior Statutory Auditor)**
**Evolution Business and Tax Advisors LLP**

**Chartered Accountants**
**Statutory Auditor**
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Dated: 11 December 2015

# CONYERS SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CONYERS SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28 August 2015 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 Conyers School during the period 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 Conyers School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Conyers School 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 Conyers School and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Conyers School's accounting officer and the reporting accountant**
The accounting officer is responsible, under the requirements of Conyers School's funding agreement with the Secretary of State for Education dated February 2013 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 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.

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer;
- discussions with the Accounting Officer and finance team;
- review of termly Internal Assurance reports;
- review of governing body and committee minutes;
- review of payroll, purchases and expenses on a sample basis;
- review of credit card transactions;
- review of leases and other agreements; and
- review of register of business interests and consideration of related party transactions.

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CONYERS SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

**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 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.

**Reporting Accountant**
Evolution Business and Tax Advisors LLP

Dated: 11 December 2015

# CONYERS SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

### *FOR THE YEAR ENDED 31 AUGUST 2015*

| | Notes | Unrestricted funds £ | Restricted funds £ | Fixed Asset funds £ | Total 2015 £ | Total 2014 £ |
|---|---|---|---|---|---|---|
| **Incoming resources** | | | | | | |
| *Resources from generated funds* | | | | | | |
| - Voluntary income | 2 | - | 350 | - | 350 | 7,494 |
| - Activities for generating funds | 3 | 869,422 | 61,965 | - | 931,387 | 626,584 |
| - Investment income | 4 | 1,983 | - | - | 1,983 | 1,140 |
| *Resources from charitable activities* | | | | | | |
| - Funding for educational operations | 5 | - | 6,438,126 | 27,478 | 6,465,604 | 7,132,432 |
| **Total incoming resources** | | 871,405 | 6,500,441 | 27,478 | 7,399,324 | 7,767,650 |
| **Resources expended** | | | | | | |
| *Costs of generating funds* | | | | | | |
| - Fundraising trading | 6 | 826,698 | - | - | 826,698 | 539,395 |
| *Charitable activities* | | | | | | |
| - Educational operations | 7 | - | 6,340,903 | 395,292 | 6,736,195 | 6,593,961 |
| Governance costs | 8 | - | 47,084 | - | 47,084 | 86,634 |
| **Total resources expended** | 6 | 826,698 | 6,387,987 | 395,292 | 7,609,977 | 7,219,990 |
| **Net incoming/(outgoing) resources before transfers** | | 44,707 | 112,454 | (367,814) | (210,653) | 547,660 |
| Gross transfers between funds | | - | (15,686) | 10,233 | (5,453) | - |
| **Net income/(expenditure) for the year** | | 44,707 | 96,768 | (357,581) | (216,106) | 547,660 |
| **Other recognised gains and losses** | | | | | | |
| Actuarial gains/(losses) on defined benefit pension scheme | 18 | - | (71,000) | - | (71,000) | (137,000) |
| **Net movement in funds** | | 44,707 | 25,768 | (357,581) | (287,106) | 410,660 |
| Fund balances at 1 September 2014 | | 151,639 | (403,892) | 14,218,489 | 13,966,236 | 13,555,576 |
| **Fund balances at 31 August 2015** | | 196,346 | (378,124) | 13,860,908 | 13,679,130 | 13,966,236 |

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

# CONYERS SCHOOL

## BALANCE SHEET

### *AS AT 31 AUGUST 2015*

| | Notes | 2015 £ | 2015 £ | 2014 £ | 2014 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | **11** | | 13,825,150 | | 14,125,701 |
| **Current assets** | | | | | |
| Stocks | **12** | 11,777 | | 11,777 | |
| Debtors | **13** | 235,984 | | 479,208 | |
| Cash at bank and in hand | | 716,743 | | 732,939 | |
| | | 964,504 | | 1,223,924 | |
| **Current liabilities** | | | | | |
| Creditors: amounts falling due within one year | **14** | (431,524) | | (809,389) | |
| **Net current assets** | | | 532,980 | | 414,535 |
| **Net assets excluding pension liability** | | | 14,358,130 | | 14,540,236 |
| Defined benefit pension liability | **18** | | (679,000) | | (574,000) |
| **Net assets** | | | 13,679,130 | | 13,966,236 |
| **Funds of the school:** | | | | | |
| **Restricted funds** | **16** | | | | |
| - Fixed asset funds | | | 13,860,908 | | 14,218,489 |
| - General funds | | | 300,876 | | 170,108 |
| - Pension reserve | | | (679,000) | | (574,000) |
| **Total restricted funds** | | | 13,482,784 | | 13,814,597 |
| **Unrestricted income funds** | **16** | | 196,346 | | 151,639 |
| **Total funds** | | | 13,679,130 | | 13,966,236 |

The accounts were approved by order of the board of trustees and authorised for issue on ....9/2/15....

J. Coleman

.....

Mrs J Coleman

**Vice-Chair**

Company Number 08366005

# CONYERS SCHOOL

## CASH FLOW STATEMENT

## *FOR THE YEAR ENDED 31 AUGUST 2015*

| | Notes | | 2015<br>£ | | 2014<br>£ |
|---|---|---|---|---|---|
| Net cash inflow/(outflow) from operating activities | 19 | | 49,084 | | 171,103 |
| **Returns on investments and servicing of finance** | | | | | |
| Investment income | | 1,983 | | 1,140 | |
| **Net cash inflow/(outflow) from returns on investments and servicing of finance** | | | 1,983 | | 1,140 |
| | | | 51,067 | | 172,243 |
| **Capital expenditure and financial investments** | | | | | |
| Capital grants received | | 27,478 | | 783,328 | |
| Payments to acquire tangible fixed assets | | (94,741) | | (738,733) | |
| Receipts from sales of tangible fixed assets | | - | | 3,000 | |
| **Net cash flow from capital activities** | | | (67,263) | | 47,595 |
| **Increase/(decrease) in cash** | 20 | | (16,196) | | 219,838 |

## 1 Accounting policies

### 1.1 Basis of preparation

The accounts 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 Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### 1.2 Going concern

The governors 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 governors make this assessment in respect of a period of one year from the date of approval of the accounts.

### 1.3 Incoming resources

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

Grants receivable

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

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

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

Sponsorship income

Sponsorship income provided to the school which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

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, catering and trip income, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

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

**1 Accounting policies** **(Continued)**

**1.4 Resources expended**

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

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 school's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

Single assets costing £2,000 or more and suites of assets costing £10,000 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 school's depreciation policy.

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

| | |
|---|---|
| Land and buildings | 50 years |
| All weather pitches | 10 years |
| Computer equipment | 4 years |
| Fixtures, fittings and equipment | 7 years |
| Motor vehicles | 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.

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.

**1 Accounting policies** **(Continued)**

**1.6 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**1.7 Stock**

Stock comprises catering stocks and other incidental items. Stocks are valued at the lower of cost and net realisable value.

**1.8 Taxation**

The school 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 school is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 Pensions benefits**

Retirement benefits to employees of the school 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 school.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school 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 18, the TPS is a multi-employer scheme and the school 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 are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the school 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.

**1.10 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

**1 Accounting policies** **(Continued)**

**1.11 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the accounts.

**2 Voluntary income**

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|---|---|---|---|---|
| Private sponsorship | - | 350 | 350 | 7,494 |

**3 Activities for generating funds**

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|---|---|---|---|---|
| GoSport | 97,591 | - | 97,591 | 97,222 |
| Catering income | 276,696 | - | 276,696 | 230,304 |
| GoMusic | 53,104 | - | 53,104 | - |
| School trips | 255,766 | 6,805 | 262,571 | 143,581 |
| Other income | 186,265 | 55,160 | 241,425 | 155,477 |
| | 869,422 | 61,965 | 931,387 | 626,584 |

**4 Investment income**

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|---|---|---|---|---|
| Short term deposits | 1,983 | - | 1,983 | 1,140 |

## 5 Funding for the school's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|---|---|---|---|---|
| **DfE / EFA grants** | | | | |
| General annual grant (GAG) | - | 6,161,752 | 6,161,752 | 6,106,909 |
| Capital grants | - | 27,478 | 27,478 | 714,030 |
| Other DfE / EFA grants | - | 200,302 | 200,302 | 178,649 |
| | - | 6,389,532 | 6,389,532 | 6,999,588 |
| **Other government grants** | | | | |
| Local authority grants | - | 76,072 | 76,072 | 63,546 |
| Other grants | - | - | - | 69,298 |
| | - | 76,072 | 76,072 | 132,844 |
| **Total funding** | - | 6,465,604 | 6,465,604 | 7,132,432 |

## 6 Resources expended

| | Staff costs £ | Premises & equipment £ | Other costs £ | Total 2015 £ | Total 2014 £ |
|---|---|---|---|---|---|
| **Academy's educational operations** | | | | | |
| - Direct costs | 4,508,238 | - | 565,897 | 5,074,135 | 5,010,707 |
| - Allocated support costs | 827,623 | 539,276 | 295,161 | 1,662,060 | 1,583,254 |
| | 5,335,861 | 539,276 | 861,058 | 6,736,195 | 6,593,961 |
| **Other expenditure** | | | | | |
| Costs of activities for generating funds | 301,801 | - | 524,897 | 826,698 | 539,395 |
| Governance costs | - | - | 47,084 | 47,084 | 86,634 |
| | 301,801 | - | 571,981 | 873,782 | 626,029 |
| **Total expenditure** | 5,637,662 | 539,276 | 1,433,039 | 7,609,977 | 7,219,990 |

## 6 Resources expended (Continued)

**Net income/(expenditure) for the year includes:**

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Operating leases | | |
| - Plant and machinery | 74,850 | 25,457 |
| Loss/(profit) on disposal of fixed assets | - | (3,000) |
| Fees payable to auditor | | |
| - Audit | 6,650 | 6,650 |
| - Other services | 5,492 | 7,065 |

## 7 Charitable activities

| | Unrestricted funds | Restricted funds | Total 2015 | Total 2014 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Direct costs** | | | | |
| Teaching and educational support staff costs | - | 4,486,903 | 4,486,903 | 4,458,443 |
| Technology costs | - | 97,733 | 97,733 | 65,065 |
| Educational supplies and services | - | 128,443 | 128,443 | 93,832 |
| Examination fees | - | 138,190 | 138,190 | 137,047 |
| Staff development | - | 21,335 | 21,335 | 31,025 |
| Other direct costs | - | 201,531 | 201,531 | 225,295 |
| | - | 5,074,135 | 5,074,135 | 5,010,707 |
| **Allocated support costs** | | | | |
| Support staff costs | - | 827,623 | 827,623 | 749,623 |
| Depreciation | - | 395,292 | 395,292 | 311,170 |
| Maintenance of premises and equipment | - | 143,984 | 143,984 | 232,846 |
| Cleaning | - | 9,035 | 9,035 | 6,873 |
| Energy costs | - | 80,376 | 80,376 | 79,924 |
| Rent and rates | - | 60,218 | 60,218 | 64,283 |
| Insurance | - | 49,862 | 49,862 | 29,983 |
| Security and transport | - | 3,526 | 3,526 | 6,456 |
| Catering | - | 29,960 | 29,960 | 40,575 |
| Interest and finance costs | - | (51,000) | (51,000) | (39,000) |
| Other support costs | - | 113,184 | 113,184 | 100,521 |
| | - | 1,662,060 | 1,662,060 | 1,583,254 |
| **Total costs** | - | 6,736,195 | 6,736,195 | 6,593,961 |

## 8 Governance costs

| | Unrestricted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|---|---|---|---|---|
| Legal and professional fees | - | 34,942 | 34,942 | 72,919 |
| Auditor's remuneration | | | | |
| - Audit of financial statements | - | 6,650 | 6,650 | 6,650 |
| - Other audit costs | - | 5,492 | 5,492 | 7,065 |
| | - | 47,084 | 47,084 | 86,634 |

## 9 Staff costs

| | 2015 £ | 2014 £ |
|---|---|---|
| Wages and salaries | 4,509,636 | 4,307,778 |
| Social security costs | 315,309 | 303,575 |
| Other pension costs | 654,402 | 586,959 |
| | 5,479,347 | 5,198,312 |
| Supply teacher costs | 87,031 | 136,177 |
| Staff restructuring costs | 18,223 | 16,920 |
| Staff development and other staff costs | 53,061 | 61,653 |
| Total staff costs | 5,637,662 | 5,413,062 |

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

| | 2015 Number | 2014 Number |
|---|---|---|
| Teachers | 79 | 77 |
| Administration and support | 62 | 69 |
| Management | 8 | 8 |
| | 149 | 154 |

The number of employees whose annual remuneration was £60,000 or more was:

| | 2015 Number | 2014 Number |
|---|---|---|
| £60,001 - £70,000 | 1 | 1 |
| £90,001 - £100,000 | 1 | 1 |

## 9 Staff costs (Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

| | | 2015 | 2014 |
|---|---|---|---|
| Teachers' Pension Scheme | Numbers | 2 | 2 |
| | £ | 23,093 | 22,500 |

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,498 (2014: £16,920). Individually the payments were; £12,498.

## 10 Trustees' remuneration and expenses

The headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, from the school in respect of their role as governors. No expenses were reimbursed to trustees during the year.

The value of trustees' remuneration was as follows:

| | |
|---|---|
| L Spellman (headteacher and trustee): | |
| Remuneration | £90,001 - £95,000 (2014: £90,001 - £95,000) |
| Employer's pension contributions | £10,001 - £15,000 (2014: £10,001 - £15,000) |
| J C Downs (staff trustee): | |
| Remuneration | £65,001 - £70,000 (2014: £65,001 - £70,000) |
| Employer's pension contributions | £5,001 - £10,000 (2014: £5,001 - £10,000) |
| R V Houchen (staff trustee): | |
| Remuneration | £40,001 - £45,000 (2014: £40,001 - £45,000) |
| Employer's pension contributions | £5,001 - £10,000 (2014: £5,001 - £10,000) |
| J D'Ambrosio (staff trustee): | |
| Remuneration | £10,001 - £15,000 (2014: £5,001 - £10,000) |
| Employer's pension contributions | £0,001 - £5,000 (2014: £0,001 - £5,000) |

Other related party transactions involving the governors are set out within the related parties note.

**Trustees' and officers' insurance**

In accordance with normal commercial practice, the school has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,406 (2014: £1,365).

**11 Tangible fixed assets**

| | Land and buildings | All weather pitches | Computer equipment | Fixtures, fittings and equipment | Motor vehicles | Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| **Cost** | | | | | | |
| At 1 September 2014 | 13,360,000 | 203,652 | 157,078 | 845,026 | 25,900 | 14,591,656 |
| Additions | - | - | - | 94,741 | - | 94,741 |
| At 31 August 2015 | 13,360,000 | 203,652 | 157,078 | 939,767 | 25,900 | 14,686,397 |
| **Depreciation** | | | | | | |
| At 1 September 2014 | 318,282 | 18,668 | 75,457 | 46,946 | 6,602 | 465,955 |
| Charge for the year | 201,020 | 20,365 | 41,965 | 125,467 | 6,475 | 395,292 |
| At 31 August 2015 | 519,302 | 39,033 | 117,422 | 172,413 | 13,077 | 861,247 |
| **Net book value** | | | | | | |
| At 31 August 2015 | 12,840,698 | 164,619 | 39,656 | 767,354 | 12,823 | 13,825,150 |
| At 31 August 2014 | 13,041,718 | 184,983 | 81,622 | 798,080 | 19,298 | 14,125,701 |

Land and buildings were valued on the basis of depreciated replacement cost as at 31 March 2013 by Mouchel on behalf of the Education Funding Agency.

**12 Stocks**

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Catering stock | 4,500 | 4,500 |
| Other stock | 7,277 | 7,277 |
| | 11,777 | 11,777 |

**13 Debtors**

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Trade debtors | 14,712 | 1,918 |
| VAT recoverable | 38,646 | 50,621 |
| Prepayments and accrued income | 182,626 | 426,669 |
| | 235,984 | 479,208 |

| 14 Creditors: amounts falling due within one year | 2015 £ | 2014 £ |
|---|---|---|
| Trade creditors | 49,485 | 106,959 |
| Taxes and social security costs | 167,662 | 165,176 |
| Other creditors | 639 | - |
| Accruals | 133,416 | 407,053 |
| Deferred income | 80,322 | 130,201 |
| | 431,524 | 809,389 |

| 15 Deferred income | 2015 £ | 2014 £ |
|---|---|---|
| Deferred income is included within: | | |
| Creditors due within one year | 80,322 | 130,201 |
| Total deferred income at 1 September 2014 | 130,201 | 58,175 |
| Amounts credited to the statement of financial activities | (130,201) | (58,175) |
| Amounts deferred in the year | 80,322 | 130,201 |
| **Total deferred income at 31 August 2015** | 80,322 | 130,201 |

At the balance sheet date the school was holding funds received in advance for rates relief, catering services, trips and educational support.

16 Funds

| | Balance at 1 September 2014 £ | Incoming resources £ | Resources expended £ | Gains, losses & transfers £ | Balance at 31 August 2015 £ |
|---|---|---|---|---|---|
| **Restricted general funds** | | | | | |
| General Annual Grant | 164,655 | 6,161,752 | (6,015,298) | (10,233) | 300,876 |
| Other DfE / EFA grants | 5,453 | 200,302 | (200,302) | (5,453) | - |
| Other government grants | - | 76,072 | (76,072) | - | - |
| Other restricted funds | - | 62,315 | (62,315) | - | - |
| Funds excluding pensions | 170,108 | 6,500,441 | (6,353,987) | (15,686) | 300,876 |
| Pension reserve | (574,000) | - | (34,000) | (71,000) | (679,000) |
| | (403,892) | 6,500,441 | (6,387,987) | (86,686) | (378,124) |
| **Restricted fixed asset funds** | | | | | |
| DfE / EFA capital grants | 960,375 | 27,478 | (128,092) | 1,515 | 861,276 |
| Inherited fixed asset fund | 13,123,372 | - | (240,497) | - | 12,882,875 |
| Capital expenditure from GAG or other funds | 134,742 | - | (26,703) | 8,718 | 116,757 |
| | 14,218,489 | 27,478 | (395,292) | 10,233 | 13,860,908 |
| **Total restricted funds** | 13,814,597 | 6,527,919 | (6,783,279) | (76,453) | 13,482,784 |
| **Unrestricted funds** | | | | | |
| General funds | 151,639 | 871,405 | (826,698) | - | 196,346 |
| **Total funds** | 13,966,236 | 7,399,324 | (7,609,977) | (76,453) | 13,679,130 |
| **General unrestricted funds include designated funds:** | | | | | |
| GoSport | 30,257 | 97,591 | (77,679) | 9,831 | 60,000 |
| Catering | 10,000 | - | - | 10,000 | 20,000 |
| Balance of general funds | 111,382 | 773,814 | (749,019) | (19,831) | 116,346 |
| | 151,639 | 871,405 | (826,698) | - | 196,346 |

**16 Funds** **(Continued)**

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

General Annual Grant must be used for the normal running costs of the school. Under the funding agreement with the Secretary of State, the school was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Other DfE/EFA grants include pupil premium, year 7 catch up, summer school income and "troops to teachers" income. The transfer of £5,453 reflects bursary funds transferred to the balance sheet in line with EFA guidance on agency arrangements.

Other government grants comprise SEN funding for pupils with special educational needs.

Other restricted income comprises activities for generating funds and private sponsorship deemed to be restricted.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/EFA capital grants consist of a devolved capital grant which has been received for expenditure on acquisition and maintenance of fixed assets. At the balance sheet date £27,478 (2014: £36,818) remains unspent from the devolved capital grant and this will be utilised on capital and maintenance in the new academic year.

DfE/EFA capital grants also include grants received from the Local Authority for maintenance and upkeep of grass pitches. At the balance sheet date £8,280 remains unspent and will be utilised in the new academic year.

The gross transfer from the restricted general fund to the restricted fixed asset fund of £8,718 represents the total capital expenditure from the GAG during the period.

The inherited fixed asset fund reflects the fixed assets acquired from Stockton-on-Tees Borough Council on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds can be used for any purpose at the discretion of the school, within the objectives of the academy trust.

Unrestricted funds include £60.000 (2014: £30,257) which the academy has earmarked for the GoSport carpet fund and £20,000 (2014: £10,000) earmarked for replacement of catering equipment.

The school's restricted general and unrestricted funds were £497,222 at 31 August 2015.

**17 Analysis of net assets between funds**

| | Unrestricted funds | Restricted funds | Fixed asset funds | Total funds |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Fund balances at 31 August 2015 are represented by:** | | | | |
| Tangible fixed assets | - | - | 13,825,150 | 13,825,150 |
| Current assets | 228,106 | 674,871 | 61,527 | 964,504 |
| Creditors falling due within one year | (31,760) | (373,995) | (25,769) | (431,524) |
| Defined benefit pension liability | - | (679,000) | - | (679,000) |
| | 196,346 | (378,124) | 13,860,908 | 13,679,130 |

### 18 Pensions and similar obligations

The school'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 Middlesbrough Borough Council. Both are multi-employer 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 that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £77,969 (2014: £74,501) were payable to the schemes at 31 August 2015 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 (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%

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 the TPS in the period amounted to £423,215 (2014: £404,153).

**18 Pensions and similar obligations** **(Continued)**

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**
The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 5.5-12.5% for employers and 14.6% for employees. The estimated value of employer contributions for the forthcoming year is £162,000.

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.

| **Contributions made** | **2015** | **2014** |
|---|---|---|
| | **£** | **£** |
| Employer's contributions | 157,000 | 148,000 |
| Employees' contributions | 69,000 | 64,000 |
| Total contributions | 226,000 | 212,000 |

| **Principal actuarial assumptions** | **2015** | **2014** |
|---|---|---|
| | **%** | **%** |
| Rate of increase in salaries | 3.5 | 3.6 |
| Rate of increase for pensions in payment | 2.0 | 2.1 |
| Discount rate for scheme liabilities | 3.8 | 3.7 |
| Inflation assumption (CPI) | 2.0 | 2.1 |

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

| | **2015** | **2014** |
|---|---|---|
| | **Years** | **Years** |
| Retiring today | | |
| - Males | 23.0 | 22.9 |
| - Females | 25.5 | 25.4 |
| Retiring in 20 years | | |
| - Males | 25.2 | 25.1 |
| - Females | 27.8 | 27.7 |

**18 Pensions and similar obligations** **(Continued)**

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

| | 2015 Expected return % | 2015 Fair value £ | 2014 Expected return % | 2014 Fair value £ |
|---|---|---|---|---|
| Equities | n/a | 2,034,456 | 7.5 | 1,900,615 |
| Government bonds | n/a | 42,024 | 2.9 | 43,985 |
| Corporate bonds | n/a | 39,552 | 3.3 | 101,860 |
| Cash | n/a | 158,208 | 1.1 | 90,285 |
| Property | n/a | 153,264 | 6.8 | 125,010 |
| Other assets | n/a | 44,496 | 7.5 | 53,245 |
| Total market value of assets | | 2,472,000 | | 2,315,000 |
| Present value of scheme liabilities - funded | | (3,151,000) | | (2,889,000) |
| Net pension asset / (liability) | | (679,000) | | (574,000) |

The adoption of FRS 102 in the next accounting period removes the requirement to recognise an expected return on assets item in the profit and loss charge. This item will be replaced with a net financing charge which is based on the discount rate assumption. As the expected return on assets is based on the assumption at the start of the accounting period, assumptions for the expected return on assets are not required at 31 August 2015.

**Amounts recognised in the statement of financial activities**

| | 2015 £ | 2014 £ |
|---|---|---|
| **Operating costs/(income)** | | |
| Current service cost (net of employee contributions) | 242,000 | 196,000 |
| Past service cost | - | - |
| Total operating charge | 242,000 | 196,000 |
| **Finance costs/(income)** | | |
| Expected return on pension scheme assets | (163,000) | (168,000) |
| Interest on pension liabilities | 112,000 | 129,000 |
| Net finance costs/(income) | (51,000) | (39,000) |
| **Total charge/(income)** | 191,000 | 157,000 |

18 **Pensions and similar obligations** (Continued)

**Actuarial gains and losses recognised in the statement of financial activities**

| | 2015 £ | 2014 £ |
|---|---|---|
| Actuarial (gains)/losses on assets: actual return less expected | 196,000 | 358,000 |
| Experience (gains)/losses on liabilities | (125,000) | (221,000) |
| (Gains)/losses arising from changes in assumptions | - | - |
| Total (gains)/losses | 71,000 | 137,000 |
| Cumulative (gains)/losses to date | 208,000 | 137,000 |

**Movements in the present value of defined benefit obligations**

| | 2015 £ | 2014 £ |
|---|---|---|
| Obligations at 1 September 2014 | (2,889,000) | (2,755,000) |
| Current service cost | (242,000) | (196,000) |
| Interest cost | (112,000) | (129,000) |
| Contributions by employees | (69,000) | (64,000) |
| Actuarial gains/(losses) | 125,000 | 221,000 |
| Benefits paid | 36,000 | 34,000 |
| At 31 August 2015 | (3,151,000) | (2,889,000) |

**Movements in the fair value of scheme assets**

| | 2015 £ | 2014 £ |
|---|---|---|
| Assets at 1 September 2014 | 2,315,000 | 2,327,000 |
| Expected return on assets | 163,000 | 168,000 |
| Actuarial gains/(losses) | (196,000) | (358,000) |
| Contributions by employers | 157,000 | 148,000 |
| Contributions by employees | 69,000 | 64,000 |
| Benefits paid | (36,000) | (34,000) |
| At 31 August 2015 | 2,472,000 | 2,315,000 |

**18 Pensions and similar obligations** **(Continued)**

**History of experience gains and losses**

| | 2015 £ | 2014 £ | 2013 £ |
|---|---|---|---|
| Present value of defined benefit obligations | (3,151,000) | (2,889,000) | (2,755,000) |
| Fair value of share of scheme assets | 2,472,000 | 2,315,000 | 2,327,000 |
| Surplus / (deficit) | (679,000) | (574,000) | (428,000) |
| Experience adjustment on scheme assets | (196,000) | (358,000) | 16,000 |
| Experience adjustment on scheme liabilities | 125,000 | 221,000 | (74,000) |

**19 Reconciliation of net income to net cash inflow/(outflow) from operating activities**

| | 2015 £ | 2014 £ |
|---|---|---|
| Net income | (216,106) | 547,660 |
| Capital grants and similar income | (27,478) | (783,328) |
| Investment income | (1,983) | (1,140) |
| Defined benefit pension costs less contributions payable | 85,000 | 48,000 |
| Defined benefit pension finance costs/(income) | (51,000) | (39,000) |
| Depreciation of tangible fixed assets | 395,292 | 314,170 |
| Losses/(profits) on disposals of fixed assets | - | (3,000) |
| (Increase)/decrease in stocks | - | (4,277) |
| (Increase)/decrease in debtors | 243,224 | (203,064) |
| Increase/(decrease) in creditors | (377,865) | 295,082 |
| Net cash inflow/(outflow) from operating activities | 49,084 | 171,103 |

**20 Reconciliation of net cash flow to movement in net funds**

| | 2015 £ | 2014 £ |
|---|---|---|
| **Increase/(decrease) in cash** | (16,196) | 219,838 |
| Net funds at 1 September 2014 | 732,939 | 513,101 |
| **Net funds at 31 August 2015** | 716,743 | 732,939 |

**21 Analysis of net funds**

| | At 1 September 2014 £ | Cash flows £ | Non-cash changes £ | At 31 August 2015 £ |
|---|---|---|---|---|
| Cash at bank and in hand | 732,939 | (16,196) | - | 716,743 |

## 22 Commitments under operating leases

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

| | 2015 | 2014 |
|---|---|---|
| | £ | £ |
| Expiry date: | | |
| - Within one year | 425 | 10,504 |
| - Between two and five years | 73,520 | 25,975 |
| | 73,945 | 36,479 |

## 23 Related parties

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

## 24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

## 25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust brought forward £5,453 undistributed funds, received £11,738 and disbursed £15,916 from the fund. An amount of £1,275 is included in accruals relating to undistributed funds carried forward to the next academic year.