



# THE ECCLESBOURNE SCHOOL



## **TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 FOR THE ECCLESBOURNE SCHOOL**

Sibbalds Limited  
Chartered Accountants and Statutory Auditor  
Oakhurst House  
57 Ashbourne Road  
Derby  
Derbyshire  
DE22 3FS

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**MEMBERS****TRUSTEES**

Ms B M Goth (Director) \*  
R D M Lindop (Director) \*  
K Wharam (Director) (resigned 10.11.15) \*  
B A K Wigram (appointed 17.11.15)  
Mrs J Winwood  
K Eley  
J R Minton (Staff governor)  
S Baines \*  
Mrs N Edwards \*  
J McNamara (Staff governor) \*  
Mrs H Dixon \*  
B Bailey (resigned 9.12.15)  
Mrs J Fishwick  
K Raynor \*  
M Ford (Staff governor)  
Mrs W Hodges  
D Lakin  
A McDermott  
D Outhwaite  
M Ryan  
R White (Staff governor)

\* members of the finance and premises committee

**COMPANY SECRETARY**

G Cawley

**SENIOR MANAGEMENT TEAM**

K Cochrane (Deputy Head)  
R Martland (Deputy Head)  
L Allen (Bursar)  
J McNamara (Head Teacher)  
Mrs C L Ourabi (Deputy Head)  
M Williams (Deputy Head)

**REGISTERED OFFICE**

Wirksworth Road  
Duffield  
Derby  
Derbyshire  
DE56 4GS

**REGISTERED COMPANY NUMBER**

07524069 (England and Wales)

**AUDITORS**

Sibbalds Limited  
Chartered Accountants and Statutory Auditor  
Oakhurst House  
57 Ashbourne Road  
Derby  
Derbyshire  
DE22 3FS

**SOLICITORS**

Flint Bishop LLP  
St Michael's Court  
St Michael's Lane  
Derby  
DE1 3HQ

**BANKERS**

HSBC Bank Plc  
Derbyshire Commercial Park  
3 Pride Park  
Derby  
DE24 8QR

**SURVEYORS**

David Brown Commercial  
Third Floor  
35/36 Iron Gate  
Derby  
DE1 3GA

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period ending 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.

The Ecclesbourne School's object and activity is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. The Ecclesbourne School in Duffield, Derbyshire caters for all abilities between the ages of 11 and 18 with specialisms in Technology and the Arts.

## **OBJECTIVES AND ACTIVITIES**

### **Objectives and Aims**

The Ecclesbourne School's object and activity is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In pursuit of this object its principal activity is to operate The Ecclesbourne School in Duffield Derbyshire, which caters for all abilities between the ages of 11 and 18 with specialisms in Technology and the Arts.

### **Objectives, Strategies and Activities**

The Ecclesbourne School strives to be a successful and caring learning community in which individuals are inspired to meet the challenges of the future.

All members of our School Community should:

- Acquire the knowledge and skills for now and for a fulfilling future.
- Develop confidence in themselves and their abilities.
- Feel valued and value others.
- Work together effectively and with enthusiasm.
- Create an innovative learning environment.
- Appreciate the world at large.

The School Community includes everyone who learns and works within the School and all those with a supportive interest in the School.

### **Public Benefit**

The Ecclesbourne School is a non-selective, non-fee paying secondary school and as such operates entirely for the public benefit. In addition to striving for and achieving the highest of educational standards and attainment for all its students it also engages in partnership working with other local secondary schools, especially with regard to effective operation of inclusion measures and systems.

The Ecclesbourne School supports Little Eaton School through:

- ICT technical support.
- Dedicated ongoing allocation of our staff to support literacy, numeracy and modern foreign languages development.

The school has developed strong links with the local community and business of reciprocal benefit.

The school lets out its facilities to local sports, arts and hobby-based clubs offering a wide range of evening courses which are advertised to the local community.

The School actively engages in charity work through a range of themed activities and days throughout the year.

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**STRATEGIC REPORT****Achievement and performance***Achievements and performance*

The Trustees have reviewed the significant activities undertaken by the charitable company during the past year to further its charitable purposes for the public benefit. Below is a review of these significant activities and achievements.

- 90% of students achieved grades A\*-C in both English and Mathematics
- Progress 8 score of +0.17 was significantly positive
- Attainment 8 score was 59.3
- The English Baccalaureate was achieved by 38% of students
- 92% achieved 5 or more GCSE passes at grades A\*-C
- 89% of students gained five or more GCSEs including English and Mathematics at grades A\*-C
- 99% of students remained in education, training or employment post-16
- 68.4% of pupils eligible for the pupil premium gained GCSEs in English and Mathematics compared with 63% of the national non-PP cohort
- At A Level 82% of grades were at A\*-C, 62% at A\*-B and 32% at A\*-A. 24% gained 3 or more subjects at AAB in facilitating subjects. 48% gained places at Russell Group universities or Oxbridge.
- There were 452 applications for 240 places in Year 7. 89% of students met the entry requirement for the Sixth Form and 73% stayed on.
- Attendance was 96.2% with 3.4% authorised and 0.4% unauthorised absences.

*Key financial performance indicators*

- Examination results
- Attendance
- Admissions
- Retention
- Destinations

**Financial review***Reserves policy*

The policy of the trust is to maintain a sufficient surplus to uphold the following year's budget against financial uncertainty and then to transfer recognised surpluses to reserves for investment in tangible fixed assets in all ways possible to assist our tutorial staff to achieve increasing academic standards. The Trust has a number of restricted funds, details of which can be found in note 21 of the financial statements.

Due to the inherited deficit of the Local Government Pension Scheme (LGPS), the School aims to reduce the deficit by increasing contributions over the forthcoming years as described above and will revisit current business plans and budgets and ascertain how the pension costs might affect their budgets in the future.

*Investment policy*

The Trust seeks to invest surplus funds in a manner to obtain the best possible return consistent with prudent minimisation of risk and with the strategic plans of the Trust for deployment of resources. The Trust is committed to investment with reputable and ethical investors.

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**STRATEGIC REPORT****Financial review***Financial review*

During the year the School received income of £6.74m (2015: £6.63m) in government and local authority grants most of it in the form of recurrent grants, the use of which has been restricted. The grants received in the form of the GAG from the EFA and associated expenditure is shown in the restricted funds in the statement of financial activities.

During the year the school has spent £2.88m on capital expenditure, which includes £2.82m which has been incurred on new building projects. The school has received capital grants totalling £1.3m which relate to this expenditure.

At 31 August 2016 the net book value of fixed assets was £19.84m (2015: £17.23m) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School.

The School held fund balances at 31 August 2016 of £20.02m comprising an amount of £19.84m in respect of restricted fixed assets funds, £0.036m in respect of unrestricted funds and £2.26m in respect of restricted general funds. The restricted funds include a deficit on the local government pension scheme most of which was on transfer to the academy.

*Going concern*

After making appropriate enquiries, the Trust has a reasonable expectation that the School 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.

**Principal risks and uncertainties**

There are a number of factors which may affect the principal risks and uncertainties that the School faces and how the School intends to resolve them.

- Change in government policy - with a change in government or change in government policy, the funding of the school may change and may in the future reduce funding. This is mitigated by building healthy unrestricted reserves which may be used in times where funding has been tightened.
- The overall performance of the students - this is a continuing risk to the School since both funding, student numbers and positioning of the school is affected if performance of the students declines. To ensure that this is limited as much as possible, the School intends to retain the teaching staff, focus on training of all staff to improve in teaching and learning and to continuously monitor student performance at an early stage of their educational development and ensure that they are nurtured to achieve the best possible standard that each individual can achieve.
- Operate the School within the budget - there is always the risk of operating above budget constraints. However with a strong finance committee and effective internal reporting such as budgeting and forecasting, this risk will be minimised.

The main 'financial instruments' that the Ecclesbourne School deals with are bank balances, cash and trade creditors, with limited trade (and other) debtors. These are not material to the assessment of the Trust's assets, liabilities, financial position and its results. The Local Government Pension Scheme exposes the School to a deficit calculated this period at £2.1m. Therefore, the School has managed this risk by budgeting to repay £39,415 per year to repay the deficit.



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**STRATEGIC REPORT****Plans for future periods**

The Ecclesbourne School remains highly popular with parents, carers and students. Admissions to the school remain high with oversubscription for places in Year 7 and post 16 entry, with 452 applications for 240 places for Year 7 admissions in 2015-2016. Waiting lists for places are maintained for Year 7, Year 8 and Year 9.

**Outline Strategy for Improvement**

- Maintain the drive for continuous improvement by improving the quality of learning leading to high levels of student attainment and achievement at all levels and for all groups of students.
- Continue to focus on improvements in teaching and learning so that all teaching is at least good and much of it outstanding.
- To further raise attainment at Key stage 4 by focusing on strategies to stretch all students of all abilities, to ensure that our results on all measures continue to rise.
- To review our assessment and target setting strategies, ensuring that our assessment of students work is accurate, formative and that feedback is high quality. Ensure that all students are aware of aspirational target grades and the strategies needed to secure them.
- Ensure that the school operates within its budget, and in the light of increasing financial constraints, plan judiciously to secure the most effective use of resources so that educational standards continue to improve while maintaining a strong financial position. This will entail aiming to maintain a surplus to insure the School against future financial pressure and so that improvement can be made to the establishment of the school.
- To build a new Multi-Use Games Area and Main Entrance to facilitate expansion to 8 form entry safely, on time (August 2016) and within budget.

The key specific strategic activities for 2016/17 are:

**1. Learning & Teaching/Assessment For Learning**

Nothing makes more difference to the life chances of students than the quality of teaching. Individual teachers make the difference. Working together, our aim is to improve the quality of teaching and learning through better dissemination of best practice and training.

**2. Quality of Marking/Formative Feedback**

Research by the Education Endowment Fund suggests effective feedback is fundamental to student progress. Our aim is to apply the lessons learned about Assessment for Learning & Formative Feedback in INSET over the last three years to ensure students make excellent progress as a result of timely and helpful next step feedback and incisive marking of work. We will do this by:

- Helping students to understand how well they are doing and how they can improve through clarifying and sharing learning intentions and criteria for success;
- Providing feedback that moves learning forward;
- Activating learners as owners of their own learning by involving students in their own assessment, helping them to build up evidence of what they know, understand and can do.

This requires students actively to respond to formative feedback.

- Using evidence of students' strengths and weaknesses to inform planning and target setting to meet their needs.

**3. Curriculum Reform KS3, 4 & 5**

The main focus for our energies for the next two to three years will necessarily be to plan for and implement new courses at GCSE (9-1) and A Level (de-coupled AS & A2). We must not underestimate the importance of this task and the time and resource it will require. Our plans for improvement in other areas must take account of the fact that, for most of us, this is the school's top priority. Teachers and teaching assistants need to be enabled to apply their energies here with minimal distraction. Our aim will be to maintain and enhance student progress in light of significant national changes in curriculum and assessment. At KS3 this means ensuring that students are stretched prepared for the increased challenge of reformed GCSEs. A revised assessment system based on GCSE 9-1 grades is being piloted in years 7-9.



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**STRATEGIC REPORT****4. Raising Achievement KS3, 4 & 5**

To ensure all students are equipped to achieve their potential and that gaps in achievement are closed between boys and girls, PP and non-PP students and SEN/non-SEN students. There will be a particular focus on stretching the most-able and increasing the proportion of students achieving the highest grades. In practical terms this means: students at KS3 achieving their minimum expected targets (MET) which are based on progress in the top 20% of students nationally. At KS4 this means GCSE outcomes in line with FFT20 targets and at A Level in line with ALIS target grades.

**5. Pupil Premium Strategy**

To ensure that students in receipt of the Pupil Premium achieve at least expected progress and that gaps in achievement between PP and non-PP students are closed.

**6. Prevent Strategy**

To ensure all staff are able to identify children who may be vulnerable to radicalisation, and know what to do when they are identified. To build students' resilience to radicalisation by promoting fundamental British values and enabling them to challenge extremist views.

**7. Capital Building Development**

To ensure Reception, MUGA projects are completed on time and on budget. To submit a bid to the EFA for funding to support development of specialist teaching accommodation in Science.

**8. Behaviour & Safeguarding**

To improve safe public access through Reception and ensure all students are safe and happy and that staff are well trained and vigilant in applying practice which minimises risk to students.

**STRUCTURE, GOVERNANCE AND MANAGEMENT****Constitution**

The School 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 School.

The governors act as the trustees for the charitable activities of The Ecclesbourne School and the governors marked as directors are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Ecclesbourne School.

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

**Members' Liability**

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

**Trustees' Indemnities**

During the period, the School maintained liability insurance and third party indemnification provisions for its Governors, under which the School has agreed to indemnify the Governors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as Governors of the School. The insurance provides cover up to £5,000,000 on any one claim.

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**STRUCTURE, GOVERNANCE AND MANAGEMENT****Method of Recruitment and Appointment or Election of Governors**

The Governors that are marked as directors are directors of the charitable company for the purposes of the Companies Act 2006 but all governors are trustees for the purposes of charity legislation. The term of office for any Governor shall be 4 years, save that: a) this time limit shall not apply to the Head Teacher; b) a Staff Governor shall only hold office for so long as he continues to be employed as a teacher or member of support staff as the case may be.

The Members may appoint up to 12 Governors. The Trust may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Head Teacher) who are employees of the School Trust does not exceed one third of the total number of Governors. The Head Teacher shall be treated for all purposes as being an ex officio Governor. The Parent Governors shall be elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the School at the time when he is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the School. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the School Trust by a registered pupil at the School.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the School is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the School; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

**Organisational Structure**

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

The Strategic Leadership Team are the Head Teacher, Four Deputy Heads and the Bursar. These leaders control the School at an executive level implementing their policies which have been agreed with the Governors and reporting back to them. As a group the Strategic Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Strategic Leadership Team always contain a Governor. Some spending control is devolved to individual budget holders who have responsibility for the line management of individual functions within the school structure, with limits above which the Head Teacher and Bursar must countersign.

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**STRUCTURE, GOVERNANCE AND MANAGEMENT****Policies and Procedures Adopted for the Induction and Training of Governors**

During the year under review the governors held 4 meetings. In addition, there was a half day's facilitated training event covering the School's improvement planning process. The training and induction provided for new Governors will depend on their existing experience.

Where necessary induction will provide training on charity and educational legal and financial matters including safeguarding training. All new Governors will be given a tour of the School and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual.

**Arrangements for setting pay and remuneration of key management personnel**

The Governor's Pay Committee is responsible for the Pay and Performance Management Policies, which are reviewed annually. The Committee scrutinises performance management of all staff including the Head Teacher and Strategic Leadership Team before agreeing pay awards informed by the scales set out in the STRB national guidelines each year.

**Related Parties and other Connected Charities and Organisations**

The Ecclesbourne School seeks to work collaboratively on specific issues with the Ripley, Heanor and Aldercar Area Partnership and with the BAMBER group of schools on matters relating to management of behaviour and managed moves. In addition, the school works closely in partnership with Little Eaton School with the aim of improving educational outcomes for students at Key Stage 2, specifically with reference to literacy, numeracy and modern foreign languages.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Ecclesbourne School does not hold any Custodian Trustee funds on behalf of others.

**AUDITORS**

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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 12 December 2016 and signed on the board's behalf by:



R D M Lindop - Director

**Scope of Responsibility**

As governors we acknowledge we have overall responsibility for ensuring that The Ecclesbourne 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 material misstatement or loss.

The governing body has delegated the day to day responsibility to the Head Teacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Ecclesbourne 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 governors' report and in the Statement of Governors' responsibilities. The governors met four times during the year and the attendance during the year was as follows:

**The Governing Body has formally met four times during the Academic Year 2015-2016****Attendance Register - Full Governors' Meetings**

	Meetings attended	Out of a possible
Mr Bill Bailey	1	2
Mr Stephen Baines	4	4
Mrs Heather Dixon	2	4
Mrs Nicola Edwards	4	4
Mr K Eley	4	4
Mrs Joanne Fishwick	3	4
Mr Matthew Ford	2	3
Mrs Brenda Goth	3	4
Mrs Wendy Hodge	3	4
Mr David Lakin	3	4
Mr Richard Lindop	4	4
Mrs Alison McDermott	4	4
Mr J McNamara	4	4
Mr J R Minton	4	4
Mrs Deborah Outhwaite	3	4
Mr Ken Raynor	4	4
Mr Mike Ryan	3	4
Mr Keith Wharam	1	1
Mrs Rebecca White	4	4
Mr Brian Wigram	4	4
Mrs Joyce Winwood	3	4

**Attendance Register 2015-2016 - Governors' Sub Committees Meetings**

<b>Facilities/ H&amp;S</b>	<b>No. attended</b>	<b>Personnel</b>	<b>No. attended</b>	<b>Students and Curriculum</b>	<b>No. attended</b>
Stephen Baines	3 out of 3	Stephen Baines	2 out of 3	Bill Bailey	1 out of 1
Kevin Eley	2 out of 3	Nicola Edwards	3 out of 3	Heather Dixon	2 out of 3
Brenda Goth	0 out of 2	Joanne Fishwick	3 out of 3	Nicola Edwards	3 out of 3
Wendy Hodges	3 out of 3	Richard Lindop	1 out of 3	Joanne Fishwick	2 out of 3
		Alison			
David Lakin	2 out of 3	McDermott	3 out of 3	Wendy Hodges	3 out of 3
Richard Lindop	2 out of 3	James	3 out of 3	Richard Lindop	2 out of 3
		McNamara			
John Minton	3 out of 3	Brian Wigram	3 out of 3	Alison McDermott	3 out of 3
James McNamara	3 out of 3	Joyce Winwood	3 out of 3	James McNamara	1 out of 3
Ken Raynor	3 out of 3			Deborah Outhwaite	2 out of 3
Mike Ryan	0 out of 3			Rebecca White	3 out of 3
Keith Wharam	1 out of 1			Joyce Winwood	1 out of 3
Rebecca White	3 out of 3				
Brian Wigram	2 out of 3				

The Finance Committee is a sub-committee of the main Governing Body. Attendance at meetings in the year was as follows:

**Attendance Register - Governors' Finance Meetings Academic Year 2015-2016**

	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Stephen Baines	4	4
Mrs Heather Dixon	3	4
Mr Matthew Ford	2	3
Mrs Brenda Goth	4	4
Mr David Larkin	2	3
Mr Richard Lindop	3	4
Mr J McNamara	4	4
Mrs Deborah Outhwaite	4	4
Mr Ken Raynor	3	4
Mr Mike Ryan	1	3
Mr Keith Wharam	1	1

**Review of Value for Money**

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

The accounting officer considers how the academy 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 end by:

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**Review of Value for Money**

To ensure value for money in purchasing and procurement each Governor's sub-committee has "Benchmarking" as a standing item. In this period, major building and refurbishment works have been undertaken to improve the fabric of buildings, increase capacity and improve energy efficiency. In each case a comprehensive quotation and competitive tendering process has been followed to ensure best value. Different options have been considered before making purchases, including an assessment of the costs and benefits of the alternatives over the longer term. To this end and to reduce back office costs a managed print service and cashless payments system have been adopted. It is intended that the new systems will reduce costs and the trust aims to achieve a break even position with regard to catering over the next two years. To ensure best value cleaning and catering contracts have been tendered and taken out over a 4 year period with the permission of the Secretary of State for Education. The contract to build a new English Block and a Multi Use Games Area were awarded following a full competitive tendering process, the English Block was delivered on time and within budget the MUGA is under construction and scheduled to be completed on time and within budget.

The trust's system of financial governance includes strong oversight by the trustees and accounting officer who through the operation of the trust's financial management policies and governance committee structure have advised and challenged decision makers within the trust on the cost and effectiveness of spending proposals in order to achieve value for money.

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes: comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body; regular reviews by the 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 the identification and management of risks.

The governing body has considered the need for a specific internal audit function and has appointed B Wigram, Vice Chair of Governors, as Responsible Officer. The RO receives quarterly reports from Sibbalds Chartered accountants which enables him to give advice on financial matters and perform a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of its financial responsibilities. As accounting officer the Head Teacher 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 RO, the work of the external auditor, the financial management and governance self-assessment process and the work of the Bursar and Finance team who have responsibility for the development and maintenance of the financial control framework.

Financial governance and oversight is strong and the trust's Finance Committee is responsible for assisting the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. In order that appropriate comments and recommendations on such matters are made to the Governing Body on a regular basis, major issues are referred to the full Governing Body for ratification.

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**Review of Value for Money**

The Finance Committee is responsible to the Governing Body for all financial matters including: consideration of the School's indicative funding, notified annually by the DfE, and assessment of its implications for the School, in consultation with the head teacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body; approval of an annual budget for recommendation to the Governing Body; contributing to the formulation of the School's development plan, through the consideration of financial priorities and proposals, in consultation with the head teacher, in line with the stated and agreed aims and objectives of the School; recommendation of financial policies to the Governing Body, ensuring adequate financial controls are maintained in accordance with those policies, including approving and monitoring school charging policies; ensuring that provision is made for all financial statements to be presented, as required, to form part of the annual report of the Governing Body to parents and for filing in accordance with DfE, Companies Act and Charity Commission requirements; the production and regular updating of a Finance Manual in accordance with DfE regulations; ensuring adequate insurance provision for the School, its staff and Governing Body; monitoring and reviewing budget and expenditure on a regular basis and ensuring compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Governing Body; monitoring and reviewing procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate making recommendations for improvement; approval of the appointment of contractors and suppliers following formal tender/quotation procedures for such items which fall outside the remit of the Facilities Committee; recommending to the Governing Body the head teacher's level of remuneration; receiving auditors' reports, ensuring that recommendations are implemented as appropriate and recommending to the full Governing Body the appointment or reappointment of the auditors of the School.

**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 trust'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 The Ecclesbourne School for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body
- regular reviews by the 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



**The Risk and Control Framework**

- identification and management of risks

The governing body has considered the need for a specific internal audit function and has appointed B Wigram, a governor, as Responsible Officer. The RO receives quarterly reports with the assistance from Sibbalds Chartered Accountants (a separate team to the audit team) which enables him to give advice on financial matters and perform a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

On a quarterly basis the auditor reports to the board of Trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

All audit work was carried out as planned and the following weaknesses to internal control were identified and rectified during the year:

<u>Weakness</u>	<u>Implication</u>	<u>Recommendation</u>	<u>Action/Benefits</u>
<b>Not all of input VAT identified in the cashbook has been included on return VAT 126.</b>	Input VAT has not been reclaimed from HMRC in full.	An internal exercise should be undertaken to identify missing VAT in order for this to be claimed.	Prevention of loss to the school.

**Review of Effectiveness**

As Accounting Officer, the Head Teacher 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 Responsible Officer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 12 December 2016 and signed on its behalf by:



R D M Lindop - Director



J McNamara - Staff governor

As accounting officer of The Ecclesbourne School I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State 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 board of trustees are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 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.



J. McNamara  
Head Teacher & Accounting Officer

12 December 2016



The trustees (who act as governors of The Ecclesbourne 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for that period. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy 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 academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

- there is no relevant audit information of which the academy's auditors are 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 auditors are aware of that information.

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

Approved by order of the board of trustees on 12 December 2016 and signed on it's behalf by:



R D M Lindop - Director

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We have audited the financial statements of The Ecclesbourne School 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and the academy's 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, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

**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 financial statements are prepared is consistent with the financial statements.



**Matters on which we are required to report by exception**

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

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



Mr Hari Om Vasdev ACA (Senior Statutory Auditor)  
for and on behalf of Sibbalds Limited  
Chartered Accountants and Statutory Auditor  
Oakhurst House  
57 Ashbourne Road  
Derby  
Derbyshire  
DE22 3FS

12 December 2016



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

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In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ecclesbourne School 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 The Ecclesbourne 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 Ecclesbourne 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 Ecclesbourne School and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Ecclesbourne School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Ecclesbourne School's funding agreement with the Secretary of State for Education 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- income testing in accordance to the Trusts funding agreement;
- reviewing the control environment and review for potential weaknesses;
- testing during the audit to evaluate internal control procedures and reporting lines on areas such as purchases and wages;
- review of financial transactions throughout the audit for unusual/improper transactions throughout the audit including review of the nominal listings;
- review of register of interests and financial transactions to ensure transparency.

## 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.

*Sibbalds*

Sibbalds Limited  
Chartered Accountants and Business Advisers  
Oakhurst House  
57 Ashbourne Road  
Derby  
Derbyshire  
DE22 3FS

12 December 2016





					2016	2015
	Not es	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Funds £	Total funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	-	1,305,420	-	1,305,420	1,217,000
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	-	6,743,704	6,743,704	6,679,000
Other trading activities	4	48,751	-	21,140	69,891	455,000
Investment income	5	8,010	-	-	8,010	8,000
<b>Total</b>		56,761	1,305,420	6,764,844	8,127,025	8,359,000
<b>EXPENDITURE ON Charitable activities</b>						
Academy's educational operations		-	270,792	6,409,501	6,680,293	6,887,000
Other		-	-	(90,642)	(90,642)	64,000
<b>Total</b>	6	-	270,792	6,318,859	6,589,651	6,951,000
<b>NET INCOME</b>		56,761	1,034,628	445,985	1,537,374	1,408,000
<b>Transfers between funds</b>	20	(1,578,313)	1,578,313	-	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		-	-	(826,000)	(826,000)	(65,000)
<b>Net movement in funds</b>		(1,521,552)	2,612,941	(380,015)	711,374	1,343,000
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		1,558,000	17,227,000	520,000	19,305,000	17,962,000
<b>TOTAL FUNDS CARRIED FORWARD</b>		36,448	19,839,941	139,985	20,016,374	19,305,000

		2016 £	2015 £
<b>FIXED ASSETS</b>	Notes		
Tangible assets	13	19,839,941	17,227,000
<b>CURRENT ASSETS</b>			
Stocks	14	2,280	2,000
Debtors	15	186,671	276,000
Cash at bank		<u>2,326,149</u>	<u>4,136,000</u>
		2,515,100	4,414,000
<b>CREDITORS</b>			
Amounts falling due within one year	16	(217,667)	(931,000)
<b>NET CURRENT ASSETS</b>		<u>2,297,433</u>	<u>3,483,000</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		22,137,374	20,710,000
<b>PENSION LIABILITY</b>	21	(2,121,000)	(1,405,000)
<b>NET ASSETS</b>		<u>20,016,374</u>	<u>19,305,000</u>
<b>FUNDS</b>	20		
Unrestricted funds:			
General fund		36,448	1,558,000
Restricted funds:			
Restricted General Funds		2,260,985	1,925,000
Restricted Fixed Asset Fund		19,839,941	17,227,000
Restricted Pension Reserve		<u>(2,121,000)</u>	<u>(1,405,000)</u>
		<u>19,979,926</u>	<u>17,747,000</u>
<b>TOTAL FUNDS</b>		<u>20,016,374</u>	<u>19,305,000</u>

The financial statements were approved by the Board of Trustees on 12 December 2016 and were signed on its behalf by:



R D M Lindop -Director

	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>(240,707)</u>	<u>1,588,000</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(240,707)</u>	<u>1,588,000</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(2,882,574)	(461,000)
Capital grants from DfE/EFA		1,305,420	1,217,000
Interest received		<u>8,010</u>	<u>8,000</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(1,569,144)</u>	<u>764,000</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(1,809,851)	2,352,000
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>4,136,000</u>	<u>1,784,000</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>2,326,149</u></u>	<u><u>4,136,000</u></u>

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	1,537,374	1,408,000
<b>Adjustments for:</b>		
Depreciation	270,792	269,000
Capital grants from DfE/EFA	(1,305,420)	(1,217,000)
Pension service cost	(110,000)	38,000
Interest received	(8,010)	(8,000)
(Increase)/decrease in stocks	(280)	6,000
Decrease in debtors	89,329	1,700,000
Decrease in creditors	<u>(714,492)</u>	<u>(608,000)</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>(240,707)</u></u>	<u><u>1,588,000</u></u>

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**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Ecclesbourne School meets the definition of a public benefit entity under FRS 102.

*First time adoption of FRS 102*

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

**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 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.

**Income**

All income is recognised in the Statement of Financial Activities once the academy has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. 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 there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

**Donations**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Other income**

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the academy has provided the goods or services.

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**1. ACCOUNTING POLICIES - continued****Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Charitable activities**

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

**Governance costs**

These include the cost attributable to the Academy's compliance with conditional and statutory requirements, including audit, strategic management, governors meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Furniture and equipment	- 15% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 20% on cost

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. 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.

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

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

**Stocks**

Stock consists of purchased goods for resale and reprographic stocks. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

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**1. ACCOUNTING POLICIES - continued****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.

**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 trustees.

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

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

**Pension costs and other post-retirement 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 22, 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 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. ACCOUNTING POLICIES - continued****Leased assets**

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

**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 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 include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 on the carrying amount of the pension liability.

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Grants	<u>-</u>	<u>1,305,420</u>	<u>1,305,420</u>	<u>1,217,000</u>

Grants received, included in the above, are as follows:

	2016 £	2015 £
Capital grants	<u>1,305,420</u>	<u>1,217,000</u>

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	-	6,713,711	6,713,711	6,649,000
<b>Other government grant</b>				
Formula Capital	<u>-</u>	<u>29,993</u>	<u>29,993</u>	<u>30,000</u>
	<u>-</u>	<u>6,743,704</u>	<u>6,743,704</u>	<u>6,679,000</u>

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Exam fees and teacher release	-	21,140	21,140	46,000
Hire of facilities	48,751	-	48,751	51,000
Catering income	-	-	-	358,000
	<u>48,751</u>	<u>21,140</u>	<u>69,891</u>	<u>455,000</u>

**5. INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Short term deposits	<u>8,010</u>	<u>-</u>	<u>8,010</u>	<u>8,000</u>

**6. EXPENDITURE**

	Staff costs £	Non-pay expenditure		2016 Total £	2015 Total £
		Premises £	Other costs £		
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	4,858,586	241,559	414,351	5,514,496	5,218,000
Allocated support costs	<u>412,623</u>	<u>523,832</u>	<u>229,342</u>	<u>1,165,797</u>	<u>1,669,000</u>
	5,271,209	765,391	643,693	6,680,293	6,887,000
Other	<u>(110,000)</u>	<u>-</u>	<u>19,358</u>	<u>(90,642)</u>	<u>64,000</u>
	<u>5,161,209</u>	<u>765,391</u>	<u>663,051</u>	<u>6,589,651</u>	<u>6,951,000</u>

Net income/(expenditure) is stated after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration	8,500	8,000
Audit-related assurance services	7,840	7,000
Depreciation - owned assets	<u>269,633</u>	<u>269,000</u>

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
<b>Direct costs</b>	-	5,514,496	5,514,496	5,218,000
<b>Support costs</b>	-	1,165,797	1,165,797	1,669,000
	-	6,680,293	6,680,293	6,887,000

	2016 Total £	2015 Total £
<b>Analysis of support costs</b>		
Support staff costs	412,623	647,000
Cleaning and trade waste	160,218	185,000
Premises costs	523,832	589,600
Other support costs	69,124	247,400
<b>Total support costs</b>	1,165,797	1,669,000

**8. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Other resources expended	-	(90,642)	(90,642)
Academy's educational operations	1,165,797	-	1,165,797
	1,165,797	(90,642)	1,075,155

Support costs, included in the above, are as follows:

**8. SUPPORT COSTS - continued****Management**

	2016 Academy's educational operations £	2015 Total activities £
Wages	412,623	647,000
Cleaning and trade waste	160,218	185,000
Advertising	20,433	20,400
Maintenance of premises and equipment	302,873	348,800
Rent, rates and utilities	161,947	161,000
Insurance	44,791	51,400
Security and transport	3,030	9,200
Catering	26,301	199,000
Other costs	33,581	47,200
	<u>1,165,797</u>	<u>1,669,000</u>

**Governance costs**

	2016 Other resources expended £	2015 Total activities £
Other staff costs	(110,000)	38,000
Legal and professional fees	3,018	11,000
Auditors' remuneration	8,500	8,000
Auditors' remuneration for non audit work	7,840	7,000
	<u>(90,642)</u>	<u>64,000</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

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

J McNamara (principal and governor):		
Remuneration	£100,000 - £105,000	(2015: £95,000 - £100,000)
Employers' pension contribution	£15,000 - £20,000	(2015: £10,000 - £15,000)
J Minton (staff governor):		
Remuneration	£10,000 - £15,000	(2015: £10,000 - £15,000)
Employers' pension contribution	£ Nil	(2015: £ Nil)
A Williams (staff governor - to 16/10/14):		
Remuneration	£ Nil	(2015: £ Nil - £5,000)
Employers' pension contribution	£ Nil	(2015: £ Nil - £5,000)
R White - from 15/11/15		
Remuneration	£15,000 - £20,000	(2015: £10,000 - £15,000)
Employers' pension contribution	£ Nil - £5,000	(2015: £ Nil - £5,000)
S DelGaudio - from 15/1/15 to 31/8/15		
Remuneration	£ Nil	(2015: £30,001 - £35,000)
Employers' pension contribution	£ Nil	(2015: £ Nil - £5,000)
M Ford - from 1/3/16		
Remuneration	£20,000 - £25,000	(2015: £ Nil)
Employers' pension contribution	£ Nil - £5,000	(2015: £ Nil)

**Trustees' expenses**

During the year ended 31 August 2016, travel and subsistence expenses totalling £Nil (2015 - £Nil) were reimbursed to governors. Related party transactions involving the trustees are set out in note 23.

**10. STAFF COSTS****Staff Costs**

Staff costs during the period were:

	2016	2015
<b>Direct costs</b>		
Wages	3,719,656	3,528,000
Social security	357,086	312,000
Pensions	676,479	615,000
Supply teacher	<u>105,365</u>	<u>87,000</u>
	4,858,586	4,542,000
<b>Allocated support costs</b>		
Wages	<u>412,623</u>	<u>647,000</u>
	5,271,209	5,189,000

The average number of persons (including senior management team) employed by the academy during the year was as follows:

	2016	2015
Teachers	98	99
Administration and support	50	56
Management	<u>6</u>	<u>6</u>
	<u>154</u>	<u>161</u>

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

	2016	2015
£60,001 - £70,000	2	2
£70,001 - £80,000	2	2
£110,001 - £115,000	-	1
£115,001 - £120,000	<u>1</u>	<u>-</u>
	<u>5</u>	<u>5</u>

94 of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £531,745 (2015: £461,276). 46 other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £102,830 (2015: £114,052).

5 of the higher paid employees participated in the Teachers' Pension Scheme.

**Key management personnel**

The key management personnel of the Ecclesbourne School comprise 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 Ecclesbourne School was £461,319 (2015: £447,133).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,690 (2015: £1,690). The cost of this insurance is included in the total insurance cost.

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted Fixed Asset Fund £	Restricted General Funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	-	1,217,000	-	1,217,000
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	-	6,679,000	6,679,000
Other trading activities	409,000	-	46,000	455,000
Investment income	8,000	-	-	8,000
<b>Total</b>	417,000	1,217,000	6,725,000	8,359,000
<b>EXPENDITURE ON Charitable activities</b>				
Academy's educational operations	199,000	269,000	6,419,000	6,887,000
Other	-	-	64,000	64,000
<b>Total</b>	199,000	269,000	6,483,000	6,951,000
<b>NET INCOME</b>	218,000	948,000	242,000	1,408,000
<b>Transfers between funds</b>	756,000	(756,000)	-	-
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	-	(65,000)	(65,000)
<b>Net movement in funds</b>	974,000	192,000	177,000	1,343,000
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	584,000	17,035,000	343,000	17,962,000
<b>TOTAL FUNDS CARRIED FORWARD</b>	1,558,000	17,227,000	520,000	19,305,000



**13. TANGIBLE FIXED ASSETS**

	Freehold property	Furniture and equipment	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
<b>COST</b>					
At 1 September 2015	17,953,000	23,000	4,000	139,000	18,119,000
Additions	<u>2,824,044</u>	<u>14,196</u>	<u>26,555</u>	<u>17,779</u>	<u>2,882,574</u>
At 31 August 2016	<u>20,777,044</u>	<u>37,196</u>	<u>30,555</u>	<u>156,779</u>	<u>21,001,574</u>
<b>DEPRECIATION</b>					
At 1 September 2015	800,000	13,000	4,000	75,000	892,000
Charge for year	<u>241,587</u>	<u>2,267</u>	<u>200</u>	<u>25,579</u>	<u>269,633</u>
At 31 August 2016	<u>1,041,587</u>	<u>15,267</u>	<u>4,200</u>	<u>100,579</u>	<u>1,161,633</u>
<b>NET BOOK VALUE</b>					
At 31 August 2016	<u>19,735,457</u>	<u>21,929</u>	<u>26,355</u>	<u>56,200</u>	<u>19,839,941</u>
At 31 August 2015	<u>17,153,000</u>	<u>10,000</u>	<u>-</u>	<u>64,000</u>	<u>17,227,000</u>

The trust's transactions relating to land and buildings included:

- E Block project	£2.784m
- MUGA project	£0.03m
- Reception project	<u>£0.01m</u>
	<b>£2.824m</b>

**14. STOCKS**

	2016	2015
	£	£
Stationery	<u>2,280</u>	<u>2,000</u>

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade debtors	13,424	17,000
VAT	138,021	110,000
Prepayments and accrued income	<u>35,226</u>	<u>149,000</u>
	<u>186,671</u>	<u>276,000</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade creditors	108,842	377,000
Accruals and deferred income	<u>108,825</u>	<u>554,000</u>
	<u>217,667</u>	<u>931,000</u>

**17. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2016	2015
	£	£
Expiring:		
Within one year	12,636	-
Between one and five years	<u>-</u>	<u>23,000</u>
	<u>12,636</u>	<u>23,000</u>

**18. 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.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

				2016	2015
	Unrestricted	Restricted	Restricted	Total	Total
	fund	Fixed Asset	General Funds	funds	funds
	£	£	£	£	£
Fixed assets	-	19,839,941	-	19,839,941	17,227,000
Current assets	36,448	-	2,478,652	2,515,100	4,414,000
Current liabilities	-	-	(217,667)	(217,667)	(931,000)
Pension liability	<u>-</u>	<u>-</u>	<u>(2,121,000)</u>	<u>(2,121,000)</u>	<u>(1,405,000)</u>
	<u>36,448</u>	<u>19,839,941</u>	<u>139,985</u>	<u>20,016,374</u>	<u>19,305,000</u>

**20. MOVEMENT IN FUNDS**

	At 1.9.15 £	Net movement in funds £	Transfers between funds £	At 31.8.16 £
<b>Unrestricted funds</b>				
General fund	1,558,000	56,761	(1,578,313)	36,448
<b>Restricted funds</b>				
Restricted General Funds	1,925,000	335,985	-	2,260,985
Restricted Fixed Asset Fund	17,227,000	1,034,628	1,578,313	19,839,941
Restricted Pension Reserve	(1,405,000)	(716,000)	-	(2,121,000)
	17,747,000	654,613	1,578,313	19,979,926
<b>TOTAL FUNDS</b>	<u>19,305,000</u>	<u>711,374</u>	<u>-</u>	<u>20,016,374</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	56,761	-	-	56,761
<b>Restricted funds</b>				
Restricted General Funds	6,764,844	(6,428,859)	-	335,985
Restricted Fixed Asset Fund	1,305,420	(270,792)	-	1,034,628
Restricted Pension Reserve	-	110,000	(826,000)	(716,000)
	8,070,264	(6,589,651)	(826,000)	654,613
<b>TOTAL FUNDS</b>	<u>8,127,025</u>	<u>(6,589,651)</u>	<u>(826,000)</u>	<u>711,374</u>

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**21. PENSION AND SIMILAR OBLIGATIONS**

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are 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 was 31 March 2012 and of the LGPS 31 March 2013.

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued****Teachers' pension scheme***Introduction*

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

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

*Valuation of the Teachers' Pension Scheme*

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

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

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 total pension contributions payable by the employer to the Teachers' Pension Scheme during the period were £531,744 (2015: £461,271). A copy of the valuation report and supporting documentation is on the Teachers' Pensions Website.

Under the definitions set out in Financial Reporting Standard 102, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**21. PENSION AND SIMILAR OBLIGATIONS**  
- continued**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £185,838 (2015: £198,584), of which employer's contributions totalled £144,245 (2015: £153,468) and employees' contributions totalled £41,593 (2015: £45,116). The agreed contribution rates for future years are 13.7% per cent for employers and 5.5-12.5% per cent for employees.

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

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Fair value of plan assets	<u>1,817,000</u>	<u>1,422,000</u>
	<u>1,817,000</u>	<u>1,422,000</u>
Surplus	<u>1,817,000</u>	<u>1,422,000</u>
Net asset	<u><u>1,817,000</u></u>	<u><u>1,422,000</u></u>

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

	Defined benefit pension plans	
	2016	2015
	£	£
Current service cost	214,000	240,000
Net interest from net defined benefit asset/liability	<u>(179,000)</u>	<u>18,000</u>
	<u>35,000</u>	<u>258,000</u>
Actual return on plan assets	<u>287,000</u>	<u>73,000</u>

The estimated value of employer contributions for the year ending 31 August 2017 is £145,000.

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Defined benefit obligation	(2,827,000)	(3,124,000)
Current service cost	(214,000)	(240,000)
Contributions by scheme participants	(42,000)	(46,000)
Interest cost	(108,000)	(117,000)
Actuarial losses/(gains)	(826,000)	(13,000)
Benefits paid	79,000	120,000
Curtailments	-	593,000
	<u>(3,938,000)</u>	<u>(2,827,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Fair value of scheme assets	1,422,000	1,822,000
Contributions by employer	145,000	156,000
Contributions by scheme participants	42,000	46,000
Expected return	287,000	99,000
Actuarial gains/(losses)	-	(26,000)
Benefits paid	(79,000)	(120,000)
Settlements	-	(555,000)
	<u>1,817,000</u>	<u>1,422,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Actuarial gains/(losses)	<u>(826,000)</u>	<u>(39,000)</u>
	<u>(826,000)</u>	<u>(39,000)</u>

**21. PENSION AND SIMILAR OBLIGATIONS**  
- continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Equities	1,235,560	968,000
Bonds	381,570	284,000
Property	109,020	85,000
Cash	90,850	85,000
	<u>1,817,000</u>	<u>1,422,000</u>

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

	2016	2015
Rate of increase in salaries	3.1%	3.5%
Rate of increase for pensions inpayment/inflation	2.1%	2.6%
Discount rate for scheme liabilities	2%	3.7%
Inflation assumption (CPI)	2.1%	2.6%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	22.0	22.0
Females	24.2	24.2
Retiring in 20 years		
Males	24.1	24.1
Females	26.6	26.6

Amounts for the current and previous period are as follows:

	2016	2015
	£	£
<b>Defined benefit pension plans</b>		
Defined benefit obligation	(3,938,000)	(2,827,000)
Fair value of scheme assets	1,817,000	1,422,000
Deficit	(2,121,000)	(1,405,000)

**22. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 August 2016.

**23. FIRST YEAR ADOPTION**

**Transitional relief**

On transition to FRS 102, the academy has taken advantage of the following transitional relief:



	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants		1,217,000	-	1,217,000
Charitable activities		6,679,000	-	6,679,000
Other trading activities		455,000	-	455,000
Investment income		<u>8,000</u>	<u>-</u>	<u>8,000</u>
<b>Total</b>		8,359,000	-	8,359,000
<b>EXPENDITURE ON</b>				
Charitable activities	25	6,887,000	-	6,887,000
Other		<u>90,000</u>	<u>(26,000)</u>	<u>64,000</u>
<b>Total</b>		6,977,000	(26,000)	6,951,000
<b>NET INCOME</b>		<u>1,382,000</u>	<u>26,000</u>	<u>1,408,000</u>

**Notes to the reconciliation of income and expenditure**

## 25. Other expenditure

Prior to adoption of FRS102, pension costs were reflected under FRS17. Consequently pension costs have decreased by £26,000 to £38,000 and this has been reflected in the profit and loss account under FRS102.

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		<u>17,035,000</u>	-	<u>17,035,000</u>
		17,035,000	-	17,035,000
<b>CURRENT ASSETS</b>				
Stocks		8,000	-	8,000
Debtors		178,000	-	178,000
Prepayments and accrued income		1,798,000	-	1,798,000
Cash at bank		<u>1,784,000</u>	-	<u>1,784,000</u>
		3,768,000	-	3,768,000
<b>CREDITORS</b>				
Amounts falling due within one year		(1,539,000)	-	(1,539,000)
		<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>NET CURRENT ASSETS</b>		<u>2,229,000</u>	-	<u>2,229,000</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		19,264,000	-	19,264,000
<b>PROVISIONS FOR LIABILITIES</b>		(1,302,000)	-	(1,302,000)
		<u>                    </u>	<u>                    </u>	<u>                    </u>
		<u>17,962,000</u>	-	<u>17,962,000</u>
<b>FUNDS</b>				
Unrestricted funds		584,000	-	584,000
Restricted funds		<u>17,378,000</u>	-	<u>17,378,000</u>
<b>TOTAL FUNDS</b>		<u>17,962,000</u>	-	<u>17,962,000</u>

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		17,227,000	-	17,227,000
<b>CURRENT ASSETS</b>				
Stocks		2,000	-	2,000
Debtors		276,000	-	276,000
Cash at bank		<u>4,136,000</u>	<u>-</u>	<u>4,136,000</u>
		4,414,000	-	4,414,000
<b>CREDITORS</b>				
Amounts falling due within one year		(931,000)	-	(931,000)
		<u>3,483,000</u>	<u>-</u>	<u>3,483,000</u>
<b>NET CURRENT ASSETS</b>				
		20,710,000	-	20,710,000
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
		(1,405,000)	-	(1,405,000)
		<u>19,305,000</u>	<u>-</u>	<u>19,305,000</u>
<b>NET ASSETS</b>				
<b>FUNDS</b>				
Unrestricted funds		1,558,000	-	1,558,000
Restricted funds		<u>17,747,000</u>	<u>-</u>	<u>17,747,000</u>
<b>TOTAL FUNDS</b>		<u>19,305,000</u>	<u>-</u>	<u>19,305,000</u>

	2016 £	2015 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and capital grants</b>		
Grants	1,305,420	1,217,000
<b>Other trading activities</b>		
Exam fees and teacher release	21,140	46,000
Hire of facilities	48,751	51,000
Catering income	-	358,000
	69,891	455,000
<b>Investment income</b>		
Short term deposits	8,010	8,000
<b>Charitable activities</b>		
Grants	6,743,704	6,679,000
<b>Total incoming resources</b>	8,127,025	8,359,000
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	3,825,021	3,615,000
Social security	357,086	312,000
Pensions	676,479	615,000
Educational supplies	177,013	202,000
Examination fees	172,227	159,000
Staff development	35,878	36,000
Other direct costs	-	10,000
Depn of freehold property	241,559	241,000
Depn of furniture & equipment	3,383	3,000
Depn of motor vehicles	420	1,000
Depn of computer equipment	25,430	24,000
	5,514,496	5,218,000
<b>Support costs</b>		
<b>Management</b>		
Wages	412,623	647,000
Cleaning and trade waste	160,218	185,000
Advertising	20,433	20,400
Maintenance of premises and equipment	302,873	348,800
Rent, rates and utilities	161,947	161,000
Insurance	44,791	51,400
Carried forward	1,102,885	1,413,600

	2016 £	2015 £
<b>Management</b>		
Brought forward	1,102,885	1,413,600
Security and transport	3,030	9,200
Catering	26,301	199,000
Other costs	<u>33,581</u>	<u>47,200</u>
	1,165,797	1,669,000
<b>Governance costs</b>		
Other staff costs	(110,000)	38,000
Legal and professional fees	3,018	11,000
Auditors' remuneration	8,500	8,000
Auditors' remuneration for non audit work	<u>7,840</u>	<u>7,000</u>
	<u>(90,642)</u>	<u>64,000</u>
<b>Total resources expended</b>	6,589,651	6,951,000
	<hr/>	<hr/>
<b>Net income</b>	<u><u>1,537,374</u></u>	<u><u>1,408,000</u></u>