



# THE ECCLESBOURNE SCHOOL

'Learning Together For The Future'

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## Reference and Administrative Details

### Governors (*# members of the finance committee*)

K. Wharam \* #  
R. Lindop \* # - Chair  
B. Goth \* #  
J. Winwood  
C. Keble  
B. Wigram – Vice Chair  
T. Hoblyn # (resigned 30 January 2013)  
Y. Woods  
K. Eley  
S. Lound  
P. Greenwood (resigned 19 July 2013)  
J. Minton (staff governor)  
C. Ourabi # (staff governor)  
A. Williams # (staff governor)  
K. Naylor  
P. Wilkinson (resigned 23 October 2012)  
S. Baines #  
S. Cook  
N. Edwards #  
J. McNamara # (staff governor)  
H. Dixon #  
B. Bailey (appointed 12 November 2012)  
J. Fishwick (appointed 12 November 2012)

### Secretary

G. Cawley

### Senior management team

J. McNamara	Head Teacher
J. Skinner	Deputy Head
M. Williams	Deputy Head
L. Walton	Deputy Head
R. Martland	Deputy Head
L. Allen	Bursar

### Registered Office

Wirksworth Road  
Duffield  
Belper  
DE56 4GS

**Company Registration Number** 07524069



## Reference and Administrative Details

### Bankers

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

### Solicitors

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

### Surveyors

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

### Auditors

Sibbalds Limited  
57 Ashbourne Road  
Derby  
DE22 3FS



## Governors' Report

The governors present their annual report together with the audited financial statements of the School for the period ended 31 August 2013.

### 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 with a \* 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.

## **Governors' 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.

## **Principal Activities**

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.

## Method of Recruitment and Appointment or Election of Governors

The Governors that are marked with a \* 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.





## **Policies and Procedures Adopted for the Induction and Training of Governors.**

During the year under review the governors held 5 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.

## **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.

## **Risk Management**

The Governors confirm that the major risks to which the Trust and the School are exposed have been reviewed and systems have been established to mitigate those risks. Where significant financial risk still remains they have ensured that they have in place adequate insurance cover. The Trust has ensured that the School has effective systems of internal financial controls as detailed below.



## **Connected Organisations, including Related Party Relationships**

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.

## **Objectives and Activities**

### **Objects 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 pursuant 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 on-going allocation of our staff to support literacy, numeracy and modern foreign languages development.

As a specialist Technology and Arts College 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.

## 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.

- 92% of students gained 5 or more GCSE passes at grades A\*-C (up 5% from 2012).
- 87% of students gained 5 or more GCSE passes at grades A\*-C including English and Mathematics (Up 4% from 2012 and 28% above national).
- 96% of GCSE entries gained an A\*-C grade (national figure was 68%).
- 47% of students achieved the English Baccalaureate (up 8% from 2012).
- Expected Progress (3LP) in English was 88% (22% above the national figure) and expected progress at all sublevels was high and above national. 50% of students made 4 Levels of Progress in 2013, 24% above national.
- Expected Progress (3LP) in Maths was 90% (20% above the national figure) and expected progress at all sublevels was high and above national. 59% of students in 2013 made 4 Levels of Progress, 30 % above national.
- Attainment in core subjects and the attainment of sizeable groups of students were significantly above average.
- 90% of students gained A\*-C grades in English, with 91% securing this in Mathematics.
- 69% of students gained 2 or more GCSE passes in Science at grades A\*-C.
- 60% of our cohort achieved at least one A\*-C pass in a Modern Foreign Language.
- In total, over half of our GCSE subjects exceeded 90% at A\*-C.
- A Level APS Per Entry was 102.
- 32% of students gained A Level passes at grades at A\*-A .
- 82% of students gained A Level passes at grades at A\*-C .
- 48% of students gained 3 or more A Level passes at grades A\*-B.
- 99% of lessons observed were judged to be Good or Outstanding.
- 67% of lessons observed were judged to be Outstanding.
- Major building projects including a new Sports Centre, refectory, Kitchen, Drama Studio and Music Block were delivered.
- Every year group is full to capacity and the Sixth Form was expanded to 360 students. There are waiting lists for Years 7-11.
- Attendance was 96% against a target of 96%.
- The School was awarded the Specialist School Quality Marque at the level of 'Leading and Transforming'.

## 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.





## Financial Review

During the year the School received income of £6.95m (2012: £7.28m) 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 £3.06m on a new sports hall and various improvements to the existing property held by the school. The school has received capital grants totalling £1.90m which relate to this expenditure.

At 31 August 2013 the net book value of fixed assets was £15.31m (2012: £12.40m) and movements in tangible fixed assets are shown in note 12 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 2013 of £16.78m comprising an amount of £15.31m in respect of restricted fixed assets funds, £1.29m in respect of unrestricted funds and £0.18m 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.

## Financial and Risk Management Objectives and Policies

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 £1.16m. Therefore, the School has managed this risk by budgeting to repay £48,000 per year to repay the deficit.

## 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.

## 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 16 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.

## 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 396 applications for 210 places for Year 7 admissions in 2012. Waiting lists for places are maintained for Year 7, Year 8 and Year 9.

The key strategic activities for 2012/13 are:

- 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 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.
- To ensure that the construction of a new Modern Foreign Languages building, 2 classroom extension to the Mathematics Building and a queuing area for the refectory is completed according to our detailed plans, on time, on budget, safely and in such a way that EFA ACMF monies are disbursed within the agreed time frame.
- To ensure the school is fully operational during the construction period.
- To bid successfully for funding to facilitate expansion to 8 form entry in order that an extension can be built to the Sixth Form Centre and C Block is re-fenestrated and, re-roofed and renovated.

## 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.

Approved by order of the members of the Governing Body on 2 December 2012 and signed on its behalf by:



**R. Lindop**  
[Chair]

## Governance Statement

### 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.

<i>Attendance Register – Full Governors' Meetings</i>		
<i>The Governing Body has formally met four times during the Academic Year 2012-13</i>		
	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Bill Bailey (appointed 12 November 2012)	1	3
Mr Stephen Baines	3	4
Mr Steven Cook	3	4
Mrs Heather Dixon	3	4
Mrs Nicola Edwards	4	4
Mr K Eley	4	4
Mrs Brenda Goth	4	4
Mr Paul Greenwood (resigned 19 July 2013)	4	4
Mr Tim Hoblyn (resigned 30 January 2013)	2	2
Mr Clive Keble	3	4
Mr Richard Lindop	4	4
Mr Selwyn Lound	3	4
Mr J R Minton	4	4
Mrs Kate Naylor	4	4
Mrs Clarissa Ourabi	3	4
Mr J McNamara	4	4
Mr Keith Wharam	4	4
Mr Brian Wigram	4	4
Mr Paul Wilkinson (resigned 23 Oct 2012)	1	1
Mrs Anne Williams	4	4
Mrs Joyce Winwood	4	4
Mrs Yvonne Woods	1	4
Mrs Joanne Fishwick (appointed 12 November 2012)	3	3

Attendance Register –Governors’ Finance Committee Meetings  
Academic Year 2012-13

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to assist 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

	Meetings attended	Out of a possible
Mr Stephen Baines	5	5
Mrs Heather Dixon	5	5
Mrs Nicola Edwards	4	5
Mrs Brenda Goth	4	5
Mr Tim Hoblyn (resigned 30 January 2013)	2	2
Mr Richard Lindop	4	5
Mrs Clarissa Ourabi	5	5
Mr J McNamara	5	5
Mr Keith Wharam	4	5
Mrs Anne Williams	3	5

## 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 academy trust 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 economically. The system of internal control has been in place in The Ecclesbourne School Academy Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

## Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body 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 ending 31 August 2013 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

## 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.
- 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 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 the governing body's financial responsibilities.

## Review of Effectiveness

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;

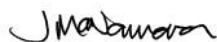
- ⇒ The work of the Responsible Officer,
- ⇒ The work of the external auditor,
- ⇒ The financial management and governance self-assessment process,
- ⇒ The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 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 2 December 2013 and signed on its behalf by:



.....  
R. Lindop  
Chair



.....  
J. McNamara  
Head Teacher and Accounting Officer



## Statement on Regularity, Propriety and Compliance

As accounting officer of Ecclesbourne School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



.....  
J. McNamara  
Headteacher  
and Accounting Officer



## Statement of Governors' Responsibilities

The governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction issued by the Education Funding Agency.

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

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

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the 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 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 members of the Governing Body on 2 December 2013 and signed on its behalf by:



.....  
R. Lindop  
Chair

## Independent Auditor's Report to the Members of Ecclesbourne School Academy Trust

We have audited the financial statements of Ecclesbourne School Academy Trust for the year ended 31 August 2013 which comprise (specify the titles of the primary statements such as 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)] and the Accounts Direction 2013 issued by the Education Funding Agency.

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

### Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. 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 trust's affairs as at 31 August 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

In our opinion the information given in the Governors' Annual 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  
DE22 3FS

Dated 10 December 2013



## **Independent Reporting Accountant’s Assurance Report on Regularity to Ecclesbourne School Academy Trust Limited and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 1 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ecclesbourne School Academy Trust during the period 1 September 2012 to 31 August 2013 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 Ecclesbourne School Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Ecclesbourne School Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Ecclesbourne School Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Ecclesbourne School Academy Trust’s accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Ecclesbourne School Academy Trust’s funding agreement with the Secretary of State for Education dated 11 April 2013 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession’s ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2013. 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 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies: Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

### **Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Dated 10 December 2013

**Statement of Financial Activities for the period ended 31 August 2013**  
**(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2013 £000	Total 2012 £000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	-	40	1,858	<b>1,898</b>	-
Activities for generating funds	3	248	55	-	<b>303</b>	309
Investment Income	4	6	-	-	<b>6</b>	7
<i>Incoming resources from charitable activities:</i>						
Funding for the School's educational operations	5	-	6,945	-	<b>6,945</b>	7,279
<b>Total incoming resources</b>		254	7,040	1,858	<b>9,152</b>	7,595
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income						
Fundraising trading						
<i>Charitable activities:</i>						
School's educational operations	7	128	6,350	160	<b>6,638</b>	6,852
Governance costs	8	-	21	-	<b>21</b>	5
<b>Total resources expended</b>	6	128	6,371	160	<b>6,659</b>	6,857
<b>Net incoming resources before transfers</b>		126	669	1,698	<b>2,493</b>	738
Gross transfers between funds	16	(1,160)	-	1,160	-	-
<b>Net income/(expenditure) for the period</b>		(1,034)	669	2,858	<b>2,493</b>	738
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	16,25	-	(4)	-	<b>(4)</b>	(237)
<b>Net movement in funds</b>		(1,034)	665	2,858	<b>2,489</b>	501
<b>Reconciliation of funds</b>						
Funds brought forward to 1 September 2012	16	2,324	(488)	12,454	<b>14,290</b>	13,789
<b>Funds carried forward at 31 August 2013</b>		1,290	177	15,312	<b>16,779</b>	14,290

All of the Academy's activities derive from continuing operations during the above two financial periods / acquisitions in the current financial period. A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

## Balance sheet as at 31 August 2013

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
<b>Fixed assets</b>					
Tangible assets	12		15,312		12,399
<b>Current assets</b>					
Stock	13	5		6	
Debtors	14	553		139	
Cash at bank and in hand		2,748		3,359	
		3,306		3,504	
<b>Creditors: Amounts falling due within one year</b>	15	(679)		(457)	
<b>Net current assets</b>			2,627		3,047
Total assets less current liabilities			17,939		15,446
<b>Net assets excluding pension liability</b>			17,939		15,446
Pension scheme liability	25		(1,160)		(1,156)
<b>Net assets including pension liability</b>			16,779		14,290
<b>Funds of the School:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16		15,312		12,454
General fund	16		1,337		668
Pension reserve	16		(1,160)		(1,156)
<b>Total restricted funds</b>			15,489		11,966
<b>Unrestricted funds</b>	16		1,290		2,324
<b>Total funds</b>			16,779		14,290

The financial statements on pages 20 to 39 were approved by the trustees, and authorised for issue on 2 December 2013 and are signed on their behalf by:

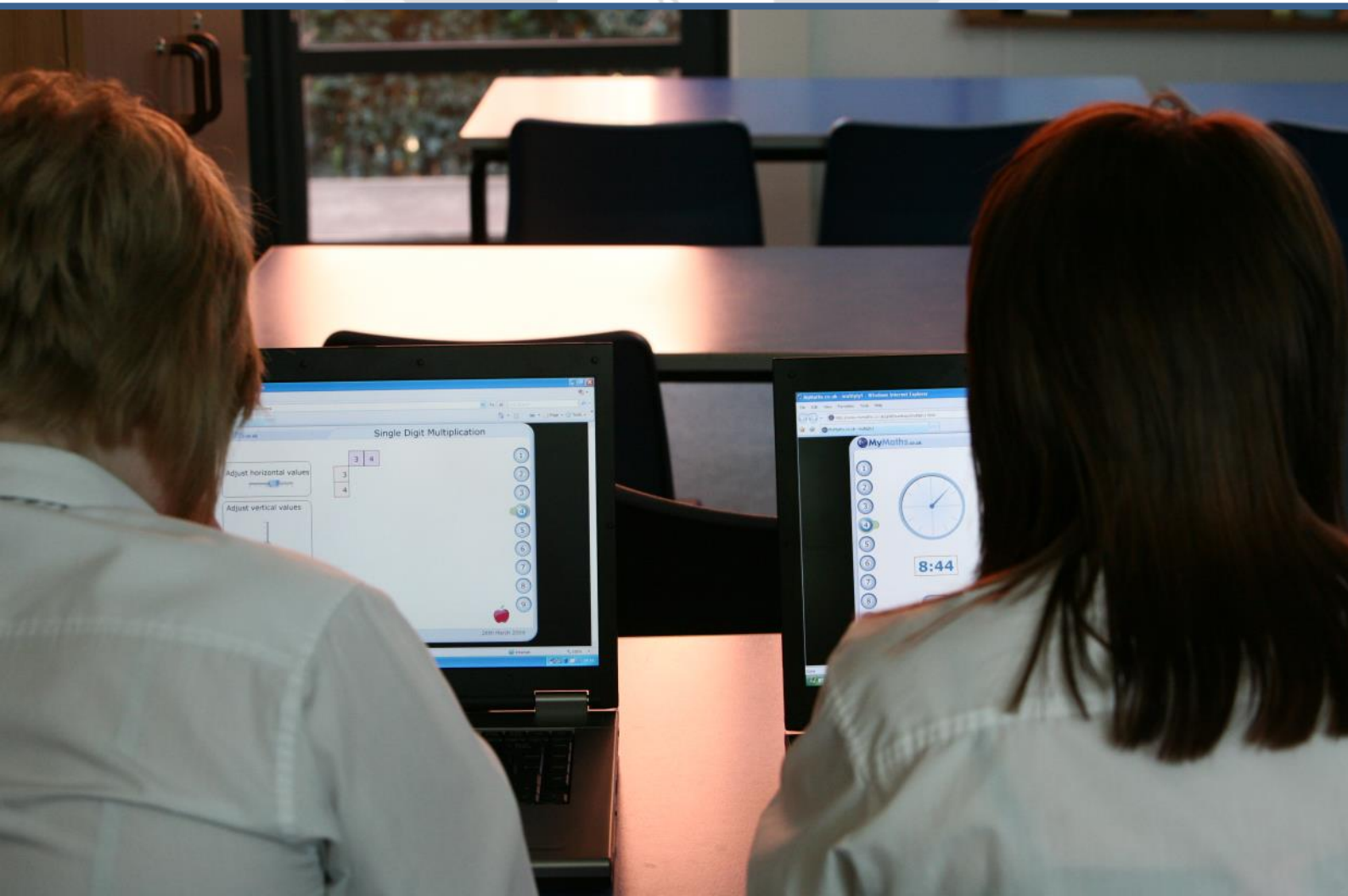


**R. Lindop**  
[Chair]

Company Limited by Guarantee  
Registration Number 07524069

## Cash Flow Statement for the year ended 31 August 2013

	Notes	2013 £000	2012 £000
<b>Net cash inflow from operating activities</b>	20	598	817
Returns on investments and servicing of finance	21	6	7
Capital expenditure	22	(1,215)	(124)
<b>(Decrease)/Increase in cash in the year</b>	23	<b>(611)</b>	(700)
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2012		3,359	2,659
<b>Net funds at 31 August 2013</b>		<b>2,748</b>	3,359





## Notes to the Financial Statements for the Year Ended 31 August 2013

### 1 Accounting Policies

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 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.

#### Going Concern

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

#### Incoming Resources

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

#### Grants receivable

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

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

#### Donations

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

#### Other income

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

#### 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.

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****1 Accounting Policies (continued)****Tangible Fixed Assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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/reducing balance basis over its expected useful lives, as follows:

Freehold buildings	2%
Fixtures, fittings and equipment	15%
ICT equipment	20%
Motor Vehicles	20%

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

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

**Leased Assets**

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

**Stock**

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.

**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.

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****1 Accounting Policies (continued)****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, 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 25, 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.

**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.



## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

### 2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Capital grants	-	1,858	1,858	-
Other donations	-	40	40	-
	-	1,898	1,898	-

### 3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Hire of facilities	13	-	13	11
Catering income	199	-	199	204
VAT	-	-	-	18
Exam fees and teacher release	-	55	55	60
Other income	36	-	36	16
	248	55	303	309

### 4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Short term deposits	6	-	6	7
	6	-	6	7

### 5 Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	6,917	6,917	7,251
	-	6,917	6,917	7,251
<b>Other Government grants</b>				
Formula capital	-	28	28	28
	-	6,945	6,945	7,279

## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

### 6 Resources Expended - Non Pay Expenditure

	Staff Costs £000	Premises £000	Other Costs £000	Total 2013 £000	Total 2012 £000
Costs of generating voluntary income					
Costs of activities for generating funds					
Academy's educational operations					
Direct costs	4,571	159	401	<b>5,131</b>	5,219
Allocated support costs	648	461	398	<b>1,507</b>	1,633
	5,219	620	799	<b>6,638</b>	6,852
Governance costs including allocated support costs	-	-	21	<b>21</b>	5
	5,219	620	820	<b>6,659</b>	6,857

The method used for the apportionment of support costs is disclosed in the accounting policies.

Incoming/outgoing resources for the year include:	2013 £000	2012 £000
Fees payable to auditor		
Audit	8	8
Other services	4	3



## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

### 7 Charitable Activities – School’s Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
<b>Direct costs</b>				
Teaching and educational support staff costs		4,571	4,571	4,579
Depreciation		160	160	153
Educational supplies		202	202	284
Examination fees		158	158	152
Staff development		37	37	44
Other direct costs		3	3	7
	-	5,131	5,131	5,219
<b>Allocation supported costs</b>				
Support staff costs		648	648	646
Maintenance of premises and equipment		322	322	392
Cleaning and trade waste		155	155	169
Rent, rates and utilities		139	139	168
Advertising		16	16	12
Insurance		55	55	51
Security and transport		6	6	6
Catering	128		128	108
Printing, postage and stationery		10	10	13
Telephone		10	10	27
Other support costs		18	18	39
	128	1,379	1,507	1,633
	128	6,510	6,638	6,852

### 8 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2013 £000	Total 2012 £000
Legal and professional fees	-	9	9	(6)
Auditor’s remuneration				
Audit of financial statements		8	8	8
Other audit costs		2	2	2
Other services		2	2	1
Support staff costs:				
Trustees’ reimbursed expenses	-	-	-	-
	-	21	21	5

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

9 Staff Costs

	2013 £000	2012 £000
<b>Staff costs during the period were:</b>		
Wages and salaries	4,322	4,283
Social security costs	321	320
Pension costs	549	543
	5,192	5,146
Compensation payments	27	79
	5,219	5,225

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

	2013 Number	2012 Number
<b>Charitable Activities</b>		
Teachers	99	100
Administration and support	62	65
Management	6	6
	167	171

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

	2013	2012
£60,001—£70,000	2	2
£70,001—£80,000	2	1
£90,001- £100,000	1	-
	5	3

92 (2012: 94) of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £728,342 (2012: £678,910). 50 (2012: 50) other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £171,982 (2012: £168,778).

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

10 Related Party Transactions - Trustees' Remuneration and Expenses

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

J McNamara (principal and governor):	£95,001 - £100,000	(2012: £90,001 - £95,000)
J Minton (staff governor):	£10,001 - £15,000	(2012: £10,001 - £15,000)
C Ourabi (staff governor):	£45,001 - £50,000	(2012: £45,001 - £50,000)
A Williams (staff governor):	£40,001 - £45,000	(2012: £40,001 - £45,000)

During the year ended 31 August 2013, travel and subsistence expenses totalling £Nil (2012 - £NIL) were reimbursed to governors. Related party transactions involving the trustees are set out in note 26.

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 2013 was £1,850 (2012: £1,800). The cost of this insurance is included in the total insurance cost.

12 Tangible Fixed Assets

	Freehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>					
At 1 September 2012	12,518	18	86	4	12,626
Additions	3,063	3	7	-	3,073
Disposals	-	-	-	-	-
At 31 August 2013	15,581	21	93	4	15,699
<b>Depreciation</b>					
At 1 September 2012	208	3	14	2	227
Charged in year	139	3	17	1	160
Disposals	-	-	-	-	-
At 31 August 2013	347	6	31	3	387
<b>Net book values</b>					
At 31 August 2013	15,234	15	62	1	15,312
At 31 August 2012	12,310	15	72	2	12,399



## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

### 13 Stock

	2013 £000	2012 £000
Stationery	2	1
Catering	3	5
	5	6

### 14 Debtors

	2013 £000	2012 £000
Trade debtors	1	2
VAT recoverable	211	79
Prepayments and accrued income	341	58
	553	139

### 15 Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	535	47
Accruals and deferred income	144	410
	679	457

### Deferred income

	2013 £000
Deferred Income at 1 September 2012	340
Resources deferred in the year	73
Amounts released from previous years	(340)
Deferred Income at 31 August 2013	73

At the balance sheet date the academy trust was holding grants received in relation to expenditure which has not yet been incurred.

Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

16 Funds

	Balance at 1 September 2012 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2013 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	668	7,040	(6,371)	-	1,337
	668	7,040	(6,371)	-	1,337
Pension reserve	(1,156)	-	-	(4)	(1,160)
	(488)	7,040	(6,371)	(4)	177
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	56	1,858	-	-	1,914
Capital expenditure from unrestricted funds	183	-	-	1,160	1,343
Voluntary income	12,215	-	(160)	-	12,055
	12,454	1,858	(160)	1,160	15,312
<b>Total restricted funds</b>	11,966	8,898	(6,531)	1,156	15,489
<b>Unrestricted funds</b>	2,324	254	(128)	(1,160)	1,290
<b>Total funds</b>	14,290	9,152	(6,659)	(4)	16,779

17 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	15,312	15,312
Current assets	1,290	2,016	-	3,306
Current liabilities	-	(679)	-	(679)
Pension scheme liability	-	(1,160)	-	(1,160)
<b>Total net assets</b>	1,290	177	15,312	16,779

## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

### 18 Capital commitments

	2013 £000	2012 £000
Contracted for, but not provided in the financial statements	-	3,072

### 19 Financial commitments

#### Operating leases

At 31 August 2013 the School had annual commitments under non-cancellable operating leases as follows:

	2013 £000	2012 £000
<b>Land and buildings</b>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	-	-
<b>Other</b>		
Expiring within one year	-	-
Expiring within two and five years inclusive	13	-
Expiring in over five years	-	-
	13	-

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

	2013 £000	2012 £000
Net income	2,493	738
Depreciation (note 12)	160	153
Capital grants from DfE/EFA and other capital income	(1,858)	-
Interest receivable (note 4)	(6)	(7)
Decrease in stocks	1	-
Increase in debtors	(414)	(41)
Increase / (decrease) in creditors	222	(26)
<b>Net cash inflow from operating activities</b>	<b>598</b>	<b>817</b>

### 21 Returns on investments and servicing of finance

	2013 £000	2012 £000
Interest received	6	7
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>6</b>	<b>7</b>

## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

## 22 Capital expenditure and financial investment

	2013 £000	2012 £000
Purchase of tangible fixed assets	(3,073)	(124)
Capital grants from DfE/EFA	1,858	-
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(1,215)</b>	<b>(124)</b>

## 23 Analysis of changes in net funds

	At 1 September 2012 £000	Cash flows £000	At 31 August 2013 £000
Cash in hand and at bank	3,359	(611)	2,748
	<b>3,359</b>	<b>(611)</b>	<b>2,748</b>

## 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/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.

## 25 Pension 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. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

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

**Teachers' Pension Scheme****Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)****The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £171,982, of which employer's contributions totalled £132,077 and employees' contributions totalled £39,905.

### Principal Actuarial Assumptions

	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	5.10%	3.95%
Rate of increase for pensions in payment / inflation	2.80%	2.20%
Discount rate for scheme liabilities	4.60%	4.30%
Inflation assumption (CPI)	2.80%	2.20%
Commutation of pensions to lump sums	50.00%	50.00%

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



Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	At 31 August 2013	At 31 August 2012
<b>Retiring today</b>		
Males	22.1	22.1
Females	24.7	24.7
<b>Retiring in 20 years</b>		
Males	23.9	23.9
Females	26.7	26.7

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

	Expected return at 31 August 2013	Fair value at 31 August 2013 £000	Expected return at 31 August 2012	Fair value at 31 August 2012 £000
Equities	6.60%	1,176	7.00%	894
Bonds	3.70%	306	2.70%	273
Property	4.70%	85	6.00%	71
<b>Cash</b>	<b>3.60%</b>	<b>137</b>	<b>0.50%</b>	<b>118</b>
Total market value of assets		1,703		1,356
Present value of scheme liabilities - Funded		(2,863)		(2,512)
Surplus/(deficit) in the scheme		(1,160)		(1,156)

The actual return on scheme assets was £201,000 (2012: £94,000).

Amounts recognised in the statement of financial activities

	2013 £000	2012 £000
Current service cost (net of employee contributions)	143	121
Past service cost	-	-
Total operating charge	143	121
<b>Analysis of pension finance income / (costs)</b>		
Expected return on pension scheme assets	77	68
Interest on pension liabilities	(111)	(112)
Pension finance costs	(34)	(44)

## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

### 25 Pension and similar obligations (continued)

#### Local Government Pension Scheme (continued)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £315,000 loss (2012: £311,000 loss).

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

	2013 £000	2012 £000
<b>At 1 September</b>	<b>2,512</b>	2,039
Current service cost	143	121
Past service cost	-	-
Interest cost	111	112
Employee contributions	40	40
Actuarial loss	85	228
Curtailments and settlements	-	-
Benefits paid	(28)	(28)
<b>At 31 August</b>	<b>2,863</b>	2,512

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

	2013 £000	2012 £000
<b>At 1 September</b>	<b>1,356</b>	1,120
Expected return on assets	77	68
Actuarial gain	124	27
Employer contributions	134	129
Employee contributions	40	40
Assets distributed on settlements	-	-
Transfer in of new members	-	-
Benefits paid	(28)	(28)
<b>At 31 August</b>	<b>1,703</b>	1,356

The estimated value of employer contributions for the year ended 31 August 2013 is £136,000.

The five-year history of experience adjustments is as follows:

	2013 £000	2012 £000	2011 £000
<b>Present value of defined benefit obligations</b>	<b>(2,863)</b>	<b>(2,512)</b>	(2,039)
Fair value of share of scheme assets	1,703	1,356	1,120
Deficit in the scheme	<b>(1,160)</b>	<b>(1,156)</b>	(919)
Experience adjustments on share of scheme assets	124	27	(74)
Experience adjustments on scheme liabilities:	-	-	-



## Notes to the Financial Statements for the Year Ended 31 August 2013 (continued)

### 26 Related Party Transactions

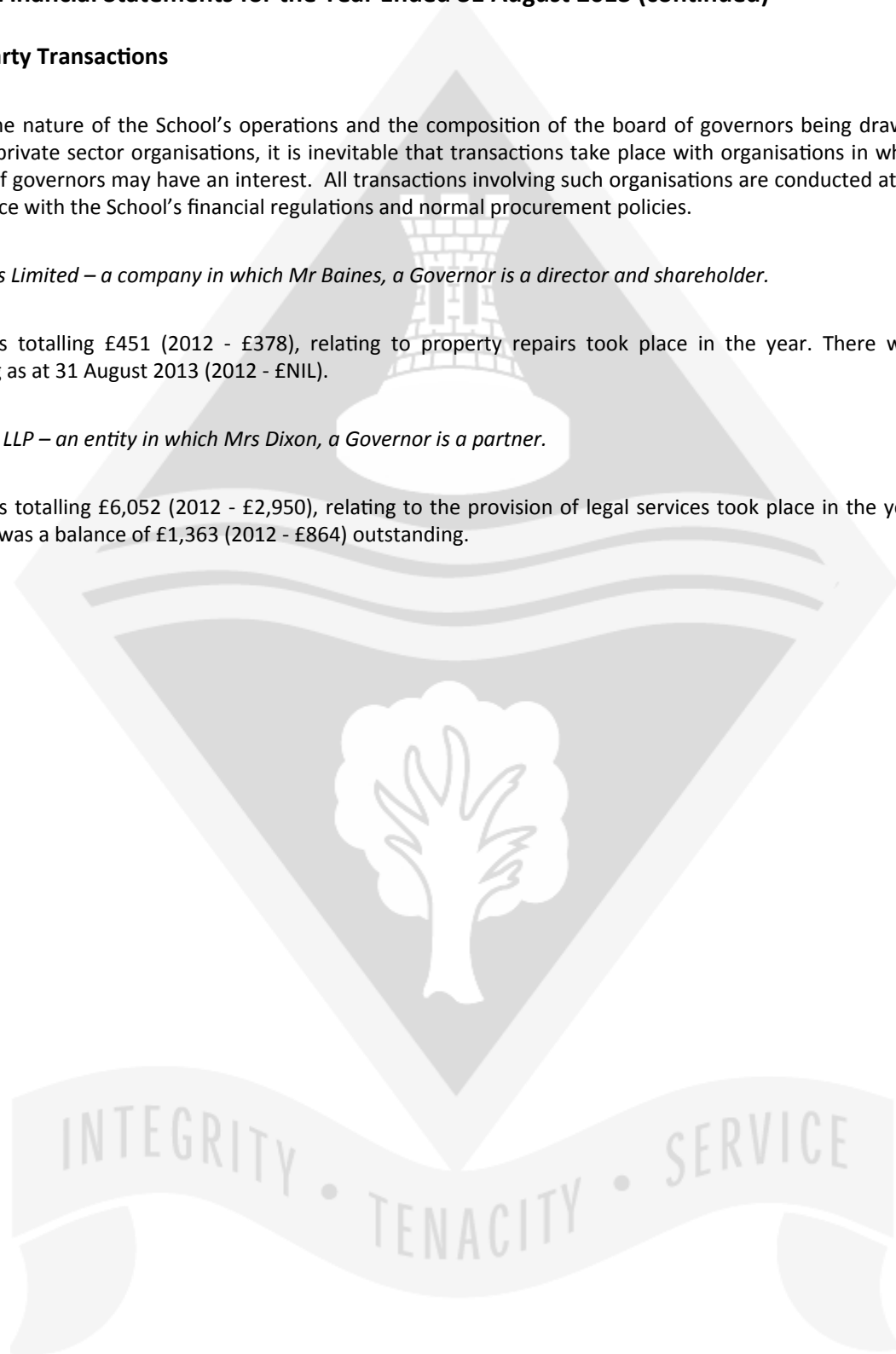
Owing to the nature of the School's operations and the composition of the board of governors being drawn from the local public and private sector organisations, it is inevitable that transactions take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement policies.

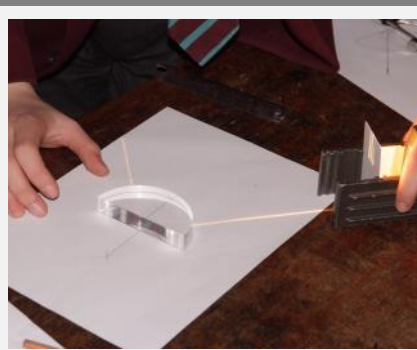
*Peter Baines Limited – a company in which Mr Baines, a Governor is a director and shareholder.*

Transactions totalling £451 (2012 - £378), relating to property repairs took place in the year. There were no amounts outstanding as at 31 August 2013 (2012 - £NIL).

*Flint Bishop LLP – an entity in which Mrs Dixon, a Governor is a partner.*

Transactions totalling £6,052 (2012 - £2,950), relating to the provision of legal services took place in the year. At 31 August 2013 there was a balance of £1,363 (2012 - £864) outstanding.





# THE ECCLESBOURNE SCHOOL

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A Company Limited by Guarantee