

Company Registration No. 07318714 (England and Wales)

ABBEY ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

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ABBEY ACADEMIES TRUST

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ABBAY ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Mr C Bates
Revd Dr S Cleaton (Resigned 31 August 2015)
Mrs J Crook (Resigned 31 August 2015)
Mrs C Edwards (Resigned 31 August 2015)
Mr P Gandy
Mr S Haigh
Mrs J Hilder
Mr T Ingram (Resigned 27 November 2014)
Mr J Kirkman
Father P Lister
Mr D Page
Mr D Pickering
Mr J Smith (Resigned 8 April 2015)
Mrs L Spillett (Resigned 31 August 2015)
Mrs S L Buttress (Appointed 1 September 2015)
Mrs S D Copsey (Appointed 1 September 2015)
Mrs K Key (Appointed 1 September 2015)
Mrs S Kelby (Appointed 1 September 2015)
Father C Atkinson (Appointed 1 September 2015)
Mrs J Derrick (Appointed 6 February 2015)

Members

Mr J A Kirkman
Mr D A Pickering
Father P Lister
Mrs J Waters-Dewhurst

Senior management team

- Consultant Headteacher	Mrs C Edwards
- Head of School - BA	Mrs S Buttress
- Head of School - EP	Mrs S Copsey
- Deputy Head	Mrs L Orme
- Deputy Head	Mrs M Shears
- Assistant Head	Miss L Ockwell
- Assistant Head	Miss A Bartup
- SENCO/Child protection officer	Mrs L Leafe
- Business manager	Mrs S Bates
- Chief financial officer	Mrs J King

Company secretary

Mrs S Bates

Accounting officer

Mrs S Buttress

Company registration number

07318714 (England and Wales)

Registered office

Abbey Road
Bourne
Lincolnshire
PE10 9EP

ABBAY ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Bourne Abbey Church of England Primary Academy
Bourne Elsea Park Church of England Primary Academy

Location

Bourne
Bourne

Independent auditor

Rawlinsons Chartered Accountants
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Bankers

National Westminster PLC
4 North Street
Bourne
Lincolnshire
PE10 9EB

ABBEY ACADEMIES TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

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

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors are the trustees of Abbey Academies Trust and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

From the articles to provide indemnity insurance to cover the liability of governors which by virtue of any rule of law should otherwise attach to them in respect of any negligence, breach of trust or breach of duty of which they may be guilty in relation to the academy trust. Provided that any such insurance shall not extend to any claim arising from any act or omission, which the governors knew to be in breach of trust or breach of duty, and provided also that any such insurance shall not extend to costs of any unsuccessful defence to a criminal prosecution against the governors in their capacity as governors.

Method of recruitment and appointment or election of governors

Subject to Articles 48 - 49 and 64, the academy trust shall have the following governors:

- a. Not less than 9 Governors, appointed under Article 50
- b. Up to 2 Staff Governors, if appointed under Article 50A
- c. 2 Parent Governors appointed under Articles 53-58. A Parent Governor must be a parent of the pupil at the Academy at the time when he is elected;
- d. The Principal;
- e. Any Additional Governors, if appointed under Article 62, 62A or 68A; and
- f. Any Further Governors, if appointed under Article 63 or Article 68A.

The Academy Trust may also have any Co-opted Governor appointed under Article 59.

The term of office for any Governor (other than Co-opted Governors under Article 59) shall be 4 years, save that this time limit shall not apply to the Principal, the Diocesan Bishop, the Incumbent, the Area Dean. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new governors depends on their existing experience. Where necessary induction provides training on charity and educational legal and financial matters. All governors are provided with copies of terms of reference, policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

ABBEY ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

The structure consists of three senior levels: The Trust Board known as the governing body (which includes the Executive Headteacher, Head of School at Bourne Abbey Church of England Primary Academy and Head of School at the sponsor academy Bourne Elsea Park Church of England Primary Academy), the joint Senior Leadership Team and the joint Leadership Team. An aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The governing body is responsible for setting general policy, adopting an annual development plan for both academies and budget for the academy trust, monitoring the academies by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

The Senior Leadership Team at Abbey Academies Trust includes the Executive Headteacher, Head of School at Bourne Abbey Church of England Primary Academy, Head of School at Bourne Elsea Park Church of England Primary Academy, Deputy Heads, Assistant Heads, Lead Special Educational Needs Coordinator, Business Manager, Chief Financial Officer and Director of Teaching School. These leaders control the academy at an executive level, implementing policies agreed with the governing body and reporting back to them. The Executive Headteacher is responsible for the authorisation of spending within agreed budgets. The appointment of staff, through appointment boards for Senior Leadership Team, Leadership Team and where possible for Teachers always contain at least one governor in addition to the Executive Headteacher, Heads of Schools and other Senior Leaders. Some spending control is devolved to members of the Senior Leadership Team and Leadership Team, with limits above which the Executive Headteacher must countersign.

In addition the Leadership Team at Abbey Academies Trust includes the ten members of the Senior Leadership Team, five Year/Joint Phase Leaders and the ICT Manager. These Leaders/Managers are responsible for the day to day operation of the two Academies within the trust, in particular organising the teaching, support staff, facilities and students.

Related parties and other connected charities and organisations

Transactions with related parties are detailed in note 24.

Objectives and activities

Objects and aims

The principal objective and activity of Abbey Academies Trust is to provide education for pupils of different abilities between the ages of 2 and 11 years and to further support the national and local school improvement agenda through the teaching school arm of the trust.

Abbey Academies Trust is a Multi Academy Trust (MAT) which includes Bourne Abbey Church of England Primary Academy (also with national status of Teaching School), and from September 2014 sponsor academy, Bourne Elsea Park Church of England Primary Academy.

Bourne Abbey Church of England Primary Academy is a large three form entry school (690 state funded pupils) with Nursery and DfE recognised Extended Schools Provision. The socio economic backgrounds of the pupils are very mixed with the school serving predominantly the East of the large market town of Bourne. The school holds an important position as a long established educational establishment within the Bourne community. Bourne Abbey became an Academy in December 2010.

The percentage of pupils taking free school meals has risen since December 2011 from 2.5% to currently 10% (20% ever 6). Within our rural/service economy there are many other families in our school who fall within a low income bracket but who do not qualify for free school meals. Also, in the current economic climate redundancy has resulted in a reduction in the number of working adults in some households, therefore reducing income. Families do really seem to be feeling the squeeze on disposable income.

There are an average percentage of pupils with special educational needs 10%, with 0.3% of pupils with statements of specific need. Most of these pupils have moderate learning difficulties.

ABBEY ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

There are 10% of pupils with English as an additional language representing a range of different ethnic backgrounds. More than half of these pupils have arrived in the last year and are mainly from Eastern Europe.

Overall pupil mobility from the start of KS2 is above average at 27%. However, the current Yr.6 mobility indicator is 30%, which is above the national average.

Bourne Abbey offers an extended childcare provision from 7.30am to 6pm for children aged 2yrs to 11yrs. This takes the form of a Breakfast Club, Kindergarten, After School Kids' Club and Holiday Club.

Bourne Elsea Park Church of England Primary Academy which opened in September 2014 was sponsored by Abbey Academies Trust – Bourne Abbey Church of England Primary Academy. It was built in response to the increase in numbers related to an increased birth rate in the area of Bourne and new housing developments, the largest being Elsea Park. The academy is intended to serve the growing community of Elsea Park and this is where the majority of the current pupils are drawn from. Bourne Elsea Park has not replaced any existing schools. The capital costs of building the school were met by the S.106 agreement and LA Basic Need funding. The management of the capital build project was handled by the LA. The S.106 agreement provided the land on which the school was built.

There are expected to be 320 primary pupils residing on site at Elsea Park eventually but many have been able to gain a place at existing schools so initially only 210 places were proposed (Reception to Year 6), with the scope for expansion if required in the future. Provision at Bourne Elsea Park was planned to open in stages to match the rate of development and pupil growth in Bourne. The academy was to have opened with one Reception class (30 Places) and then to add 30 new places each year. In the event Lincolnshire County Council requested that the academy also opened a second class to accommodate up to 30 KS1 pupils as there were not enough places at the other primary schools in Bourne or within eight miles of Bourne.

There are 83 pupils in total at Bourne Elsea Park. 2.4% of pupils are PPG and 2.4% PPG +. Within our rural/service economy there are many other families in our school who fall within a low income bracket but who do not qualify for free school meals. Families do really seem to be feeling the squeeze on disposable income. The percentage of pupils with special educational needs is currently 8.3%. At present there are no pupils with statements of specific need. 26% of pupils have English as an additional language representing a range of different ethnic backgrounds. 36% of the Yr 2 pupils are EAL pupils.

In partnership with Bourne Abbey the school offers extended childcare provision on the Elsea Park site from 7.30am to 6pm. This takes the form of a breakfast club and after school club. Pupils can also attend the holiday club provision which is held on the Bourne Abbey site.

The Executive Headteacher of Abbey Academies Trust leads the partnership of the two schools and the teaching school. Each academy has its own Head of School to oversee its day-to-day running. There has successfully been created a sense of shared identity and common purpose which also promotes and preserves each academy's individual character and ethos.

As Church of England academies, pupils at Bourne Abbey and Bourne Elsea Park are encouraged to strive for excellence in the core subjects, but to broaden their education, to embrace and develop the concepts of faith and spirituality, of hope and charity and to enable them to make informed decisions later in life as broad-minded and knowledgeable British and world citizens.

The Executive Headteacher is a National Leader (NLE) and Bourne Abbey is deemed a National Support School (NSS) and has national status as Teaching School. Bourne Abbey as NLE/NSS and Teaching School (Elite), works on an improvement agenda with other named schools which are often identified by the Local Authority and DFE as being in need of support.

ABBAY ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

The main objectives of Abbey Academies Trust during the year ended 31st August 2015 are summarized below.

- to ensure every pupil enjoys consistently high quality education and that resourcing, tuition and care meets their individual needs to achieve this.
- to continue to raise the standard of educational achievement and attainment for all pupils
- to improve the effectiveness of the both academies by keeping the curriculum and organisational structure under continual review.
- to provide value for money for the funds expended.
- to comply with all appropriate statutory safeguarding and curriculum requirements
- to maintain close links with the local community including other local schools.
- to have a role in sharing and developing good practice and training new teachers.
- to conduct Abbey Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

The main strategy across Abbey Academies Trust, which includes both academies and our teaching school, is encompassed in our mission statement which is 'Striving for Excellence – Caring for All'. To this end the activities provided include:

- being proactive in trying to ensure that all pupils' abilities and preferred learning styles are identified with appropriate learning and teaching strategies employed across all areas of the curriculum.
- quality learning opportunities for all pupils to ensure seek high levels of attainment and achievement in the core subjects and across a broad curriculum, including day/residential visits and many after school sporting, creative, environmental, scientific and leisure opportunities.
- a programme of Personal, Social and Health Education which includes Behaviour and Discipline procedures.
- ensuring all appropriate Safeguarding Procedures are in place and regularly monitored to ensure maximum effectiveness.
- training opportunities for all Directors(governors), leaders and staff, especially teaching staff.

Public benefit

The governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

Bourne Abbey is in its fifth year of operation as an academy and continues to set strategic goals related to achievement, attainment, engagement and provision. These goals are monitored closely by the governing body.

Endorsement of expertise and outstanding practice at Bourne Abbey as a school before it converted to academy status and since conversion on 1 December 2010 include:

- Ofsted overall grade of 'Outstanding' in 2007 and 2010 including the quality of teaching and learning and extended provision including early years setting.
- National Society Section 48 inspection 2010 and 2015 – Grade 'Outstanding'.
- Ofsted grade of 'Outstanding' in 2013 for quality of early years setting as part of extended care provision.
- National Leader of Education/ National Support School from 2008.
- Designated a 'Lead' Read, Write Inc. school from 2009 and supports other schools.
- School included in Ofsted report 'Reading by Six' as one of twelve schools identified demonstrating exemplary practice and outstanding achievement.
- Sport England Active Mark - 2010
- Basic Skills Quality Mark – renewed 2015
- Healthy School Award – renewed 2011-Enhanced Status 2014

ABBEY ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

- Arts Mark Gold – renewed 2012
- Becta ICT Mark – renewed 2012
- East Midlands School Choir of the Year Award 2007, 2008 and Area Champions in 2010, 2013, 2014 & 2015
- School Council Silver award- 2013
- UNICEF Award Level 2 -2013. Only Primary School in Lincolnshire to have achieved this award at the time.
- Giving Children a Voice- Pupils from Bourne Abbey received a prestigious invitation from the Children's Commissioner for England to be part of an advisory group of young people aged seven to eleven years old. The Commissioner promotes and protects the rights of all of England's 12.5 million children.
- Successful bid to sponsor new school in Bourne – Opened Bourne Elsea Park C of E Primary Academy on 1 September 2014
- Teaching School status awarded July 2014

Investors in People Accreditation was awarded to Bourne Abbey and Bourne Elsea Park as Abbey Academies Trust in 2015.

Bourne Abbey C of E Primary Academy

2015 – Outcomes (based on school calculated data (validated by Education Advisor), LA data and national data indicate that we have maintained overall very high standards in attainment and achievement.

- Pupils have made overall good and outstanding progress during the Foundation Stage and outcomes for 2015 indicate that the 74 % of pupils achieving an overall 'Good Level of Development' (GLD), is significantly above those found nationally.
- The Phonics screening in Y1 resulted in 86% achieving the 80%+ national benchmark, this outcome is significantly higher than that achieved nationally in 2015 (77%).
- Results at the end of Y2 reflect good and better achievement with the percentage of pupils achieving L2C+, L2b+ and L3+ in line with and above national 2015. (Reading – L2C+ 93%, L2b+ 85%, L3 32%. Writing – L2C+ 91%, L2b+72%, L3 24%. Maths – L2C+ 95%, L2b+83%, L3 26%)
- 2015 KS2 Performance summary of outcomes at the end of Y6 indicate that all but one of the challenging national targets have been met and exceeded.
- In Maths pupils attaining L4b+ - 87% is significantly above national 2015 (77%). All results for maths match Bourne Abbey's highest results over the past 3 years, maintaining high standards of attainment. Average Point Score for mathematics is 30.2 (+1.2 compared to national 2015). 13% of pupils attained a L6 in mathematics, 4% above national 2015.
- In Reading 95% of pupils attained a L4+, with 95% attaining L4b+ - this is 15% above national figures for 2015. Reading at L5+ is 66% (18% above national 2015). Average Point Score of 30.6 in reading is the school's highest ever score and significantly higher than national 2015.
- In Writing (externally moderated) attainment shows a 4 year rising trend. Level 4+ shows outstanding attainment at 93% (7% above national 2015). L5+ is 57% and significantly above national (21% above national 2015). At Level 5 significant value has been added – 57% attained L5+ with only 21% of matched pupils at KS1.
- In GPaS results show a 3 year rising trend. L4+ shows a 3 year rising trend with L4b+ showing a significant increase.
- Pupils attaining at L4+ and L5 in Reading, Writing and Mathematics combined show as significantly above national figures for 2015. This is also the case in the percentage of pupils making two levels progress.
- Pupil Premium pupils attained well compared to national figures for 2015. **Maths** – L4+ 89% (Nat2015 80%), L5+ 39% (Nat2015 28%) **Reading** – L4+ 83% (Nat2015 83%) L5+ 44% (Nat2015 34%), **Writing** – L4+ 89% (Nat2015 79%) L5+ 33% (Nat2015 22%), **GPaS** – L4+ 72% (Nat 2015 71%)
- Percentage of Pupil Premium pupils making 2 levels progress in mathematics, reading and writing is in line with school 'other pupils' and national 2015.

ABBEY ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

- Evidence using 'Assessment without Levels' indicates that the majority of pupils throughout each year group in the school make consistently good and better progress with increased expectations of the new curriculum; learning is closely monitored to ensure all pupils make the progress which they are capable of.
- Pupils that need additional support and vulnerable groups (including PPG) are well provided for and the majority make overall.

The majority of pupils are leaving the school above and well above national outcomes from starting points on entry to the school which are generally low compared to the ages and stages of development expected nationally. This demonstrates that virtually all pupils are making at least good progress and often outstanding progress in their Primary Education at Bourne Abbey CE Primary Academy.

Bourne Elsea Park C of E Primary Academy

2015 – Outcomes (based on school calculated data (validated by Education Advisor), LA data and national data.

- Pupils have made overall good and outstanding progress during the Foundation Stage. Pupils were, on entry, below national expectations (moderated against Bourne Abbey and LA figures) and outcomes for 2015 indicate that the 75 % of pupils achieving an overall 'Good Level of Development' (GLD), is significantly above those found nationally.
- Attainment is very high in all Early Learning Goals, both prime and specific where overall the percentage of pupils achieving a 2+ was 80%+ in all ELG's apart from in writing which dipped below 80%. Goal 11 Mathematics: Number is just above 80%.

Year 2 (KS1)

- Initial assessments were made of all pupils at their date of entry into BEPPA which varied considerably over the year. Progress has been carefully measured and monitored throughout the year.
- From their point of entry into BEPPA, pupils have made good and better progress from their initial assessments made to the end of Year 2. A significant number of pupils entered the class at different points during the year (September – 7 pupils, Term 1 – 2 pupils, Term 2 – 6 pupils, Term 3 – 3 pupils, end of Term 4 – 2 pupils, Term 5 – 2 pupils).
- Matched EYFS outcomes where these were available set alongside evidence of progress since joining Bourne Elsea Park, indicate that the majority of pupils have made good and better progress. In reading 17/18 pupils (94%) have made at least expected progress, in writing 16/18 (89%) and in mathematics 14/18 pupils.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The academy trust held fund balances at 31 August 2015 of £7,155,358 comprising £6,748,853 of restricted funds and £406,505 of unrestricted funds. Of the restricted funds, £6,720,610 is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £416,000 in deficit.

ABBHEY ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Whilst an element of education funding is ring-fenced, in real terms per pupil funding is reducing year on year. Increases in staff salaries and pension contributions are not reflected in GAG income.

Key performance indicators:

- The academy trust is on a sound financial footing and follows strict guidelines outlined in its best value statement. All financial decisions are based on providing 'quality provision' and prioritising this to levels of funding available and expected over a three year forecast
- The academy trust keeps a regular overview of its finances and details reports to governors.
- The academy trust has appointed Rawlinson to perform the Responsible Officer role. The Responsible Officer meets regularly with the Chief Financial Officer and the Executive Headteacher in line with good practice and academy regulations.
- The governors who make up the Finance Committee regularly monitor, review and approve budget statements and plans. Governor's advice and approval is always sought for major financial commitments.
- Key budget allocations and spending decisions are all linked to the Academy Improvement Plan. However, if a new initiative that will improve the academy becomes available, it will be reviewed by all members of the school community, including the financial implications and either approved or not. The governors have the final approval. The unrestricted funds can be used to offset the financial implications of an initiative and funds raised by the PTFA can also be allocated. There are mini budgets within the main budget, i.e. Professional Development, Phase allocations.

The governors fully understand what Abbey Academies Trust does well and where it could improve. They have achieved this understanding by receiving clear information from the Executive Headteacher/Senior Leaders/Local authority and National sources in the form of documentation, training, discussions at meetings, and by their own visits to the academy. As a result, they are informed about what happens in school, how this can be compared and benchmarked locally and nationally and are able to provide the necessary support and challenge in making strategically important decisions.

Reserves policy

It is the policy of the academy trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months expenditure. The governors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the academy trust's current activities whilst consideration is given to ways in which additional funds may be raised. The level of reserves currently exceeds this value. The building that the Kindergarten currently operates from has a limited lifespan and the governors are currently investigating the costs involved in having a brand new building erected. The unrestricted funds are therefore being accumulated to cover the cost of a new build.

The Academy is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

Investment policy and powers

Under the Memorandum and Articles of Association, the academy trust has the power to invest funds not immediately required for its own purposes, in any way the governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

The governors are responsible for identifying risks faced by the academy trust, establishing procedures to mitigate these risks, and ensuring that employees are aware of the procedures and of the implications of failing to implement them. They are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

ABBEY ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future periods

Abbey Academies Trust will continue to strive and improve levels of achievement and attainment for all its pupils whilst providing a high quality caring and nurturing educational environment for all and working in pursuit of community cohesion. The trust also deems its work in pursuit of sharing and developing good practice and training new teachers through the work of Bourne Abbey as NLE/NSS and the Teaching School to be a core part of its activity

The Academy aims to provide opportunity to enhance the educational environment in the academic year 2015/16 by;

- Bourne Abbey- completing the refurbishment of the staffroom, continuing the upgrade of toilet facilities around the school for both adults and pupils, replace flooring which includes major work in Year 4 cloakroom and upgrading the KS2 playground trim trail equipment.
- Completing plans to replace Kindergarten building at Bourne Abbey to enhance and further develop EYFS provision.
- Bourne Elsea Park- developing the outside area to include growing food opportunities and a wild life area.
- Bourne Elsea Park- developing the practical room to allow for cooking opportunities for the pupils related to the curriculum.

Key Curriculum Priority:

In Information and Communication Technology (ICT) review the curriculum and ensure there are more **coding** opportunities in lessons to provide an outstanding experience for all groups of pupils across the full age range.

Further priorities for 2015/2016 include:

- Development of a further comprehensive Mathematics programme (resourced) in both academies. Enhance mathematics provision through developing understanding, knowledge and application of a mastery approach to teaching and learning
- Development of a further comprehensive Assessment programme (resourced) in both academies.
- Ensure understanding and compliance with regard to the new 'Prevent Duty' in order to further develop effective systems to keep pupils safe from the dangers of abuse, sexual exploitation, radicalisation and extremism.
- Further develop effective systems to promote fundamental British values which are reflected in the academy's environment, policies, curriculum and activities.
- Achieving the Unicef UK- 'Rights Respecting School Award' for Bourne Elsea Park (Two year programme)

Comprehensive Academy Improvement Plans have been drawn up for Bourne Abbey and Bourne Elsea Park based on clear identification and analysis of need. In addition an action plan for the Teaching School for 2015-16 has been drawn up and submitted to NCTL.

These plans have been presented to the Board of Directors (governors) and will be monitored throughout the year.

ABBHEY ACADEMIES TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

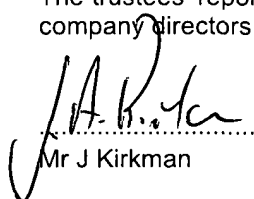
Auditor

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.

A resolution proposing that Rawlinsons Chartered Accountants be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on ...26/11/2015... and signed on its behalf by:


.....
Mr J Kirkman

ABBAY ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The board of governors has delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Abbey Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors 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 board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
Mr C Bates	4	4
Revd Dr S Cleaton (Resigned 31 August 2015)	2	4
Mrs J Crook (Resigned 31 August 2015)	4	4
Mrs C Edwards (Resigned 31 August 2015)	4	4
Mr P Gandy	2	4
Mr S Haigh	3	4
Mrs J Hilder	4	4
Mr T Ingram (Resigned 27 November 2014)	2	2
Mr J Kirkman	4	4
Father P Lister	4	4
Mr D Page	3	4
Mr D Pickering	4	4
Mr J Smith (Resigned 8 April 2015)	2	3
Mrs L Spillett (Resigned 31 August 2015)	4	4
Mrs S L Buttress (Appointed 1 September 2015)	0	0
Mrs S D Copsey (Appointed 1 September 2015)	0	0
Mrs K Key (Appointed 1 September 2015)	0	0
Mrs S Kelby (Appointed 1 September 2015)	0	0
Father C Atkinson (Appointed 1 September 2015)	0	0
Mrs J Derrick (Appointed 6 February 2015)	1	2

No key changes in the composition of the board of trustees have occurred in the year, nor have there been any particular challenges that have arisen.

ABBEY ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The finance committee is a sub-committee of the main board of governors. Its purpose is to provide guidance and assistance to the Executive Headteacher and the board of trustees in all matters relating to budgeting and finance.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr C Bates	3	3
Mrs J Crook (Resigned 31 August 2015)	1	3
Mrs C Edwards (Resigned 31 August 2015)	3	3
Mr J Kirkman	3	3
Mr D Pickering	1	3
Mr J Smith (Resigned 8 April 2015)	0	1
Mrs J Derrick (Appointed 6 February 2015)	2	2

Review of value for money

As accounting officer the Executive Headteacher 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 governors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Ensuring that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:
 - targeting resources in key subjects such as literacy and numeracy;
 - monitoring the needs of particular pupils including those in receipt of Pupil Premium Grant and Looked After Children PPG, and ensuring that the support they receive is relevant to them;
 - monitoring the performance of particular staff, and ensuring that relevant action is taken to address weaknesses.
- Financial government and oversight:
 - the academy carries out regular monthly financial monitoring and the Finance Committee meet termly. They receive regular reports, and ask relevant questions as recorded in the minutes. The chairman of the Finance Committee also makes regular visits to the academy.
 - the work of the Finance Committee is further informed by regular Responsible Officer reports from Rawlinsons Chartered Accountants.
- Better purchasing:
 - exploring alternative purchasing options both on-line and direct through suppliers to find the best value;
 - implementing a tender process for significant purchases and/or contracts e.g. the installation of the CleverTouch screens in every classroom;
 - all contracts are reviewed on an annual basis to ensure they are fit for purpose and best value.
- Better income generation:
 - continuing to generate income from letting out the school premises;
 - transferring any significant cash balances to higher interest savings accounts.
- Reviewing controls and managing risks:
 - regular budget reports have been reviewed by the Finance Committee, as well as budget holders, to ensure that spending is within budget, and if not why not.
- Staffing:
 - the academy is proud of operating on a very carefully structured staffing establishment. The staffing structure is considered very closely and any opportunities to minimise excess staffing are explored and frequently implemented. It is acknowledged that staffing is the most costly area of expenditure and savings in this area are the most valuable.

ABBNEY ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 and economically. The system of internal control has been in place in Abbey Academies Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors 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 governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

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 board of governors;
- 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 board of governors has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the governors have appointed Rawlinsons, the external auditor, to perform additional checks as Responsible Officer.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of purchase systems
- testing of bank reconciliations
- testing of fixed assets
- testing of income

On a regular basis, the RO reports to the board of governors on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors.

During the year 2 RO reports were produced and no details of any material control issues were identified.

ABBEY ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

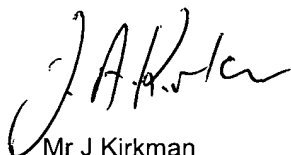
Review of effectiveness

As accounting officer the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

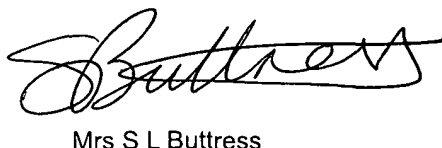
- the work of the responsible officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 board of governors on 26/11/2015 and signed on its behalf by:



Mr J Kirkman



Mrs S L Buttress

ABBEY ACADEMIES TRUST

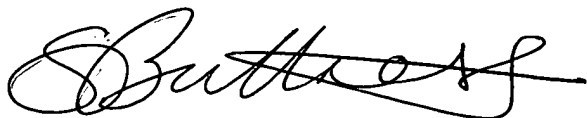
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Abbey Academies Trust I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. 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's board of governors 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. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.

Approved on 26/11/15 and signed by:



Mrs S L Buttress
Accounting Officer

ABBHEY ACADEMIES TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for Abbey Academies Trust and are also the directors of Abbey Academies Trust for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the governors are required to:

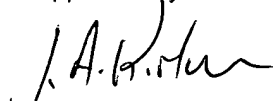
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of governors on 26/11/2015 and signed on its behalf by:


Mr J Kirkman

ABBEY ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABBEY ACADEMIES TRUST

We have audited the accounts of Abbey Academies Trust for the year ended 31 August 2015 set out on pages 22 to 43. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 17, the governors, who are also the directors of Abbey Academies Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

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

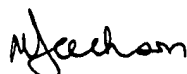
ABBEY ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ABBEY ACADEMIES TRUST

Matters on which we are required to report by exception

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

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



Mark Jackson FCA DChA (Senior Statutory Auditor)
Rawlinsons Chartered Accountants

Chartered Accountants Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Dated: 4.12.2015

ABBHEY ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ABBHEY ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Abbey Academies Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Abbey Academies 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 Abbey Academies 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 Abbey Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Abbey Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Abbey Academies Trust's funding agreement with the Secretary of State for Education dated 30 November 2010 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' meetings.

ABBAY ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ABBAY ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

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



Mark Jackson FCA DChA
Reporting Accountant
Rawlinsons Chartered Accountants
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Dated: 4.12.2015

ABBEEY ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
Incoming resources	Notes					
Resources from generated funds						
- Voluntary income	2	36,215	14,500	3,138,000	3,188,715	2,065
- Activities for generating funds	3	51,003	-	-	51,003	71,648
- Investment income	4	1,554	-	-	1,554	3,487
Resources from charitable activities						
- Funding for educational operations	5	292,889	2,926,929	11,287	3,231,105	2,679,515
Total incoming resources		381,661	2,941,429	3,149,287	6,472,377	2,756,715
Resources expended						
Costs of generating funds						
Charitable activities						
- Educational operations	7	277,993	2,771,859	199,765	3,249,617	2,742,567
Governance costs	8	-	7,529	-	7,529	17,072
Total resources expended	6	277,993	2,779,388	199,765	3,257,146	2,759,639
Net incoming/(outgoing) resources before transfers		103,668	162,041	2,949,522	3,215,231	(2,924)
Gross transfers between funds		400	(53,120)	52,720	-	-
Net income/(expenditure) for the year		104,068	108,921	3,002,242	3,215,231	(2,924)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	19	-	(4,000)	-	(4,000)	(155,000)
Net movement in funds		104,068	104,921	3,002,242	3,211,231	(157,924)
Fund balances at 1 September 2014		302,437	(87,965)	3,729,655	3,944,127	4,102,051
Fund balances at 31 August 2015		406,505	16,956	6,731,897	7,155,358	3,944,127

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

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

ABBEY ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11	6,720,610		3,718,483	
Investments	12		1		1
		<u>6,720,611</u>		<u>3,718,484</u>	
Current assets					
Stocks	13	5,099		3,982	
Debtors	14	63,694		59,654	
Cash at bank and in hand		974,256		921,432	
		<u>1,043,049</u>		<u>985,068</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(192,302)		(386,425)	
Net current assets			850,747		598,643
Net assets excluding pension liability			<u>7,571,358</u>		<u>4,317,127</u>
Defined benefit pension liability	19		(416,000)		(373,000)
Net assets			<u><u>7,155,358</u></u>		<u><u>3,944,127</u></u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			6,731,897		3,729,655
- General funds			432,956		285,035
- Pension reserve			(416,000)		(373,000)
Total restricted funds			<u>6,748,853</u>		<u>3,641,690</u>
Unrestricted income funds	17		<u>406,505</u>		<u>302,437</u>
Total funds			<u><u>7,155,358</u></u>		<u><u>3,944,127</u></u>

The accounts were approved by order of the board of governors and authorised for issue on 26/11/2015

Mr J Kirkman

Company Number 07318714

ABBAY ACADEMIES TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	20	103,875	325,582
Returns on investments and servicing of finance			
Investment income	1,554	3,487	
Net cash inflow/(outflow) from returns on investments and servicing of finance		1,554	3,487
		105,429	329,069
Capital expenditure and financial investments			
Capital grants received	11,287	11,172	
Payments to acquire tangible fixed assets	(64,292)	(102,281)	
Receipts from sales of tangible fixed assets	400	-	
Net cash flow from capital activities		(52,605)	(91,109)
Increase/(decrease) in cash	21	52,824	237,960

ABBNEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors have made this assessment in respect of a period of one year from the date of approval of the accounts and consider that the going concern basis is appropriate.

1.3 Incoming resources

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

Grants receivable

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

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies. The value of donated time from volunteers has not been included in these accounts.

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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 academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Furniture and equipment transferred into the academy from the previous local authority school has not been valued and introduced into these accounts.

Leasehold property inherited from the Local Authority on conversion to an academy was professionally valued on a depreciated replacement cost basis at 31 August 2012, commissioned by the EFA.

Leasehold property provided to the Trust immediately on completion of the building being constructed is included at a value equivalent to the cost of the building.

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

Leasehold property	2% straight line
Fixtures, fittings & equipment	3 years straight line

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.

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.6 Leasing and hire purchase commitments

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

1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.8 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 19, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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

1.10 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Donated fixed assets	-	3,138,000	3,138,000	-
Other donations	36,215	14,500	50,715	2,065
	<u>36,215</u>	<u>3,152,500</u>	<u>3,188,715</u>	<u>2,065</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	857	-	857	9,845
Catering income	50,146	-	50,146	61,803
	<u>51,003</u>	<u>-</u>	<u>51,003</u>	<u>71,648</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	<u>1,554</u>	<u>-</u>	<u>1,554</u>	<u>3,487</u>

ABBNEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	2,361,545	2,361,545	2,048,585
Capital grants	-	11,287	11,287	11,172
Other DfE / EFA grants	-	203,968	203,968	125,225
	-	2,576,800	2,576,800	2,184,982
Other government grants				
Local authority grants	-	357,560	357,560	227,347
Other grants	-	3,856	3,856	8,239
	-	361,416	361,416	235,586
Other funds				
Provision Of Childcare income	204,286	-	204,286	174,318
Other incoming resources	88,603	-	88,603	84,629
	292,889	-	292,889	258,947
Total funding	292,889	2,938,216	3,231,105	2,679,515

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	1,891,869	-	312,191	2,204,060	2,011,491
- Allocated support costs	410,671	256,970	377,916	1,045,557	731,076
	2,302,540	256,970	690,107	3,249,617	2,742,567
Other expenditure					
Governance costs	-	-	7,529	7,529	17,072
Total expenditure	2,302,540	256,970	697,636	3,257,146	2,759,639

ABBEEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended (Continued)

Net income/(expenditure) for the year includes:	2015 £	2014 £
Operating leases		
- Plant and machinery	12,402	12,664
Loss/(profit) on disposal of fixed assets	(400)	4,812
Fees payable to auditor		
- Audit	6,400	6,500

Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	139,502	1,752,367	1,891,869	1,782,516
Technology costs	-	41,955	41,955	39,021
Educational supplies and services	14,446	88,345	102,791	95,248
Educational consultancy	-	40,696	40,696	-
Other direct costs	83,998	42,751	126,749	94,706
	<u>237,946</u>	<u>1,966,114</u>	<u>2,204,060</u>	<u>2,011,491</u>
Allocated support costs				
Support staff costs	-	410,671	410,671	222,633
Depreciation	-	199,765	199,765	141,329
Maintenance of premises and equipment	-	57,205	57,205	96,166
Other occupancy costs	-	143,725	143,725	128,465
Catering	40,047	101,234	141,281	86,527
Interest and finance costs	-	(2,000)	(2,000)	1,000
Other supplies and services	-	94,910	94,910	54,956
	<u>40,047</u>	<u>1,005,510</u>	<u>1,045,557</u>	<u>731,076</u>
Total costs	<u>277,993</u>	<u>2,971,624</u>	<u>3,249,617</u>	<u>2,742,567</u>

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	1,129	1,129	10,572
Auditor's remuneration				
- Audit of financial statements	-	6,400	6,400	6,500
	-	7,529	7,529	17,072

9 Staff costs

	2015 £	2014 £
Wages and salaries	1,886,551	1,653,692
Social security costs	111,777	103,662
Other pension costs	293,934	232,717
	2,292,262	1,990,071
Supply teacher costs	10,278	15,078
Total staff costs	2,302,540	2,005,149

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

	2015 Number	2014 Number
Teachers	26	24
Administration and support	42	35
Management	3	3
	71	62

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

	2015 Number	2014 Number
£90,001 - £100,000	1	1

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

	2015	2014
Teachers' Pension Scheme	Numbers £	Numbers £
	1 14,037	1 13,898

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Executive Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment, 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 and other benefits was as follows:

Mrs C A Edwards (headteacher and governor)

Remuneration £95,000 - £100,000 (2014 - £95,000 - £100,000)

Employer's pension contributions £10,000 - £15,000 (2014 - £10,000 - £15,000)

Mrs J Crook (staff governor)

Remuneration £40,000 - £45,000 (2014 - £55,000 - £60,000)

Employer's pension contributions £5,000 - £10,000 (2014 - £5,000 - £10,000)

Mrs L Spillett (staff governor)

Remuneration £40,000 - £45,000 (2014 - £35,000 - £40,000)

Employer's pension contributions £5,000 - £10,000 (2014 - £5,000 - £10,000)

Governors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim. It is not possible to quantify this element from the overall cost of insurance.

ABBEEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Leasehold property	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 September 2014	3,826,710	269,573	4,096,283
Additions	3,138,000	64,292	3,202,292
At 31 August 2015	6,964,710	333,865	7,298,575
Depreciation			
At 1 September 2014	232,009	145,791	377,800
Charge for the year	124,629	75,536	200,165
At 31 August 2015	356,638	221,327	577,965
Net book value			
At 31 August 2015	6,608,072	112,538	6,720,610
At 31 August 2014	3,594,701	123,782	3,718,483

12 Fixed asset investments

	£
Market value	
At 1 September 2014 and at 31 August 2015	1
Historical cost:	
At 31 August 2015	1
At 31 August 2014	1

The academy has the following investments:

Advantage Academies Trust Limited - a company limited by guarantee, whose sole legal member is the academy.

Advantage Academies Enterprises Limited - a wholly owned subsidiary of the academy, whose share capital and reserves as at 31 August 2015 were £1.

These companies remained dormant during the period.

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

13	Stocks	2015	2014
		£	£
	Uniform	5,099	3,982
14	Debtors	2015	2014
		£	£
	Trade debtors	299	-
	Other debtors	16,816	38,006
	Prepayments and accrued income	46,579	21,648
		63,694	59,654
15	Creditors: amounts falling due within one year	2015	2014
		£	£
	Trade creditors	39,264	113,337
	Taxes and social security costs	32,714	30,888
	Other creditors	42,356	169,321
	Accruals	16,230	11,175
	Deferred income	61,738	61,704
		192,302	386,425
16	Deferred income	2015	2014
		£	£
	Deferred income is included within:		
	Creditors due within one year	61,738	61,704
	Total deferred income at 1 September 2014	61,704	8,271
	Amounts credited to the statement of financial activities	(61,704)	(8,271)
	Amounts deferred in the year	61,738	61,704
	Total deferred income at 31 August 2015	61,738	61,704

Deferred income relates to amounts paid in advance for the 2015/16 school year for kindergarten places, kids club places, school trip deposits and universal infant free school meals.

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	279,035	2,361,545	(2,179,808)	(53,120)	407,652
Other DfE / EFA grants	6,000	203,968	(184,664)	-	25,304
Other government grants	-	361,416	(361,416)	-	-
Other restricted funds	-	14,500	(14,500)	-	-
	<u>285,035</u>	<u>2,941,429</u>	<u>(2,740,388)</u>	<u>(53,120)</u>	<u>432,956</u>
Funds excluding pensions	(373,000)	-	(39,000)	(4,000)	(416,000)
	<u>(87,965)</u>	<u>2,941,429</u>	<u>(2,779,388)</u>	<u>(57,120)</u>	<u>16,956</u>
Restricted fixed asset funds					
DfE / EFA capital grants	11,172	11,287	-	(11,172)	11,287
Leasehold property	3,594,701	-	(124,629)	-	3,470,072
Capital expenditure from GAG or other funds	123,782	-	(75,136)	63,892	112,538
Private sector capital sponsorship	-	3,138,000	-	-	3,138,000
	<u>3,729,655</u>	<u>3,149,287</u>	<u>(199,765)</u>	<u>52,720</u>	<u>6,731,897</u>
Total restricted funds	<u>3,641,690</u>	<u>6,090,716</u>	<u>(2,979,153)</u>	<u>(4,400)</u>	<u>6,748,853</u>
Unrestricted funds					
General funds	131,284	177,375	(124,045)	400	185,014
Provision of childcare	171,153	204,286	(153,948)	-	221,491
	<u>302,437</u>	<u>381,661</u>	<u>(277,993)</u>	<u>400</u>	<u>406,505</u>
Total funds	<u>3,944,127</u>	<u>6,472,377</u>	<u>(3,257,146)</u>	<u>(4,000)</u>	<u>7,155,358</u>
General unrestricted funds include designated funds:					
Manning Road development funding	15,200	-	-	-	15,200
School fund	29,279	88,818	(83,997)	(4,459)	29,641
Balance of general funds	86,805	88,557	(40,048)	4,859	140,173
	<u>131,284</u>	<u>177,375</u>	<u>(124,045)</u>	<u>400</u>	<u>185,014</u>

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Funds

(Continued)

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

Restricted fixed asset funds

The devolved capital formula grant has to be spent on capital expenditure within 3 years of allocation.

The capital expenditure fund represents the net book value of fixed assets purchased.

During the year, £11,172 devolved capital funding brought forward has been utilised on fixed assets and a transfer has been made from the devolved capital fund to the capital expenditure fund for this amount. Further additions of £52,605 have been purchased in the year and have been funded out of GAG. Transfers from the relevant funds to the capital expenditure fund have been made to represent these additions.

The leasehold property represents the net book value of the leasehold property.

Restricted general funds

The restricted grant income in the year all relates to the provision of education for the children of the academy.

£52,605 of GAG funding has been utilised on the purchase of fixed assets, and a transfer for this amount has been made to the capital expenditure restricted fixed asset fund.

£9,812 of Pupil Premium funding has been utilised on school trips, music lessons and other school fund activities for under privileged children in the year.

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

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.

Designated funds

The trustees have designated £15,200 of funds donated to be spent on the development of the Manning Road site.

The school fund balances are designated by the trustees for use in a variety of different areas.

Analysis of academies by fund balance

	Total £
Fund balances at 31 August 2015 were allocated as follows:	
Bourne Abbey Church of England Primary Academy	753,896
Bourne Elsea Park Church of England Primary Academy	85,565
	<hr/>
Funds excluding fixed asset fund and pensions reserve	839,461
	<hr/>
Restricted fixed asset fund	6,731,897
Pension reserve	(416,000)
	<hr/>
Total funds	<u><u>7,155,358</u></u>

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Funds

(Continued)

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Bourne Abbey Church of England Primary Academy	(1,730,713)	(299,462)	(55,481)	(562,519)	(2,648,175)
Bourne Elsea Park Church of England Primary Academy	(161,156)	(111,209)	(47,310)	(82,002)	(401,677)
	<u>(1,891,869)</u>	<u>(410,671)</u>	<u>(102,791)</u>	<u>(644,521)</u>	<u>(3,049,852)</u>

18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	6,720,610	6,720,610
Fixed asset investments	-	-	1	1
Current assets	424,183	607,580	11,286	1,043,049
Creditors falling due within one year	(79,368)	(112,934)	-	(192,302)
Accruals and deferred income	61,690	(61,690)	-	-
Defined benefit pension liability	-	(416,000)	-	(416,000)
	<u>406,505</u>	<u>16,956</u>	<u>6,731,897</u>	<u>7,155,358</u>

19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lincolnshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £33,432 (2014 - £29,282) were payable to the schemes at 31 August 2015 and are included within creditors.

ABBEEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Pensions 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 pension costs paid to the TPS in the period amounted to £151,175 (2014 - £135,016).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.3% for employers and 5.5 to 6.8% for employees. The estimated value of employer contributions for the forthcoming year is £134,000.

ABBEEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Pensions and similar obligations

(Continued)

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

Contributions made	2015	2014
	£	£
Employer's contributions	112,000	75,000
Employees' contributions	30,000	22,000
Total contributions	142,000	97,000

Principal actuarial assumptions	2015	2014
	%	%
Rate of increase in salaries	4.1	4
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	3.8	3.7

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

Change in assumptions at 31 August 2015	Approximate % increase to Employer Liability	Approximate monetary amount
0.5% decrease in Real Discount Rate	14%	£153,000
1 year increase in member life expectancy	3%	£33,000
0.5% increase in the Salary Increase Rate	7%	£76,000
0.5% increase in the Pension Increase Rate	6%	£72,000

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

	2015	2014
	Years	Years
Retiring today		
- Males	22.2	22.2
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.5	24.5
- Females	26.8	26.8

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.8	666,000	6.3	558,000
Bonds	3.8	115,000	3.6	95,000
Property	3.8	107,000	4.5	81,000
Other assets	3.8	-	3.3	-
Total market value of assets		888,000		734,000
Present value of scheme liabilities - funded		(1,304,000)		(1,114,000)
Net pension asset / (liability)		(416,000)		(380,000)

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	153,000	98,000
Past service cost	-	-
Total operating charge	153,000	98,000
Finance costs/(income)		
Expected return on pension scheme assets	(46,000)	(33,000)
Interest on pension liabilities	44,000	34,000
Net finance costs/(income)	(2,000)	1,000
Total charge/(income)	151,000	99,000

ABBAY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Pensions and similar obligations (Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015	2014
	£	£
Actuarial (gains)/losses on assets: actual return less expected	27,000	(116,000)
Experience (gains)/losses on liabilities	(23,000)	271,000
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	4,000	155,000
Cumulative (gains)/losses to date	(205,000)	(209,000)

Movements in the present value of defined benefit obligations

	2015	2014
	£	£
Obligations at 1 September 2014	(1,107,000)	(689,000)
Current service cost	(153,000)	(98,000)
Interest cost	(44,000)	(34,000)
Contributions by employees	(30,000)	(22,000)
Actuarial gains/(losses)	23,000	(271,000)
Benefits paid	7,000	-
At 31 August 2015	(1,304,000)	(1,114,000)

Movements in the fair value of scheme assets

	2015	2014
	£	£
Assets at 1 September 2014	734,000	495,000
Expected return on assets	46,000	33,000
Actuarial gains/(losses)	(27,000)	116,000
Contributions by employers	112,000	75,000
Contributions by employees	30,000	22,000
Benefits paid	(7,000)	-
At 31 August 2015	888,000	741,000

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19	Pensions and similar obligations	(Continued)			
	History of experience gains and losses				
		2015	2014	2013	2012
		£	£	£	£
	Present value of defined benefit obligations	(1,304,000)	(1,114,000)	(689,000)	(557,000)
	Fair value of share of scheme assets	888,000	741,000	495,000	367,000
	Surplus / (deficit)	<u>(416,000)</u>	<u>(373,000)</u>	<u>(194,000)</u>	<u>(190,000)</u>
	Experience adjustment on scheme assets	(27,000)	116,000	38,000	10,000
	Experience adjustment on scheme liabilities	<u>23,000</u>	<u>(271,000)</u>	<u>(18,000)</u>	<u>(79,000)</u>
20	Reconciliation of net income to net cash inflow/(outflow) from operating activities		2015	2014	
			£	£	
	Net income		3,215,231	(2,924)	
	Capital grants and similar income		(3,149,287)	(11,172)	
	Investment income		(1,554)	(3,487)	
	Defined benefit pension costs less contributions payable		41,000	23,000	
	Defined benefit pension finance costs/(income)		(2,000)	1,000	
	Depreciation of tangible fixed assets		200,165	136,517	
	Losses/(profits) on disposals of fixed assets		(400)	4,812	
	(Increase)/decrease in stocks		(1,117)	2,061	
	(Increase)/decrease in debtors		(4,040)	9,634	
	Increase/(decrease) in creditors		(194,123)	166,141	
	Net cash inflow/(outflow) from operating activities		<u>103,875</u>	<u>325,582</u>	
21	Reconciliation of net cash flow to movement in net funds		2015	2014	
			£	£	
	Increase/(decrease) in cash		52,824	237,960	
	Net funds at 1 September 2014		921,432	683,472	
	Net funds at 31 August 2015		<u>974,256</u>	<u>921,432</u>	
22	Analysis of net funds				
		At 1 September	Cash flows	Non-cash	At 31 August
		2014		changes	2015
		£	£	£	£
	Cash at bank and in hand	<u>921,432</u>	<u>52,824</u>	<u>-</u>	<u>974,256</u>

ABBEY ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

23 Commitments under operating leases

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

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
- Within one year	6,047	-
- Between two and five years	6,355	12,402
	<u>12,402</u>	<u>12,402</u>

24 Related parties

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

During the year £nil (2014 - £340) was paid to Strictly Legal Limited in relation to a professional subscription. D A Pickering, a trustee, has an interest in this business. There were no amounts outstanding at the year end (2014 - £nil).

Also paid this year was £nil (2014 - £18,066) to Duncan A Pickering Solicitor for legal fees. At the year end £nil (2014 - £7,176) of this was outstanding. The legal services undertaken were agreed prior to the 7 November 2013 and as such the obligations set out in sections 2.6.2 and 2.6.6 to the Academies Financial Handbook 2013 do not apply. Given the new rules introduced in the Academies Financial Handbook 2014 in relation to connected party transactions, no further legal work will be carried out by Duncan A Pickering Solicitor except in accordance with those rules.

The following governors have family members who are employees of the academy:

<u>Governor</u>	<u>Relationship</u>	<u>Name</u>	<u>Job title</u>
Mr C R Bates	Wife	Mrs S J Bates	Business Manager

The contracts are on the same basis as other comparative employees at the academy trust.

Some of the governors have children who are pupils at the academy, consequently there will be transactions between those governors and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

25 Members' liability

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