

Colchester Academy
(A Company Limited by Guarantee)

Annual Report and Consolidated Financial Statements

Year ended 31st August 2015

Company Number: 07335838

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Colchester Academy

Report and Financial Statements for the year ended 31 August 2015

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Colchester Academy

Reference and Administrative Details

<p>Governors:</p>	<p>Mr B Hersom (Resigned 1/4/2015) Mrs C Murphy (Resigned 1/4/2015) Miss M Borges (Resigned 1/4/2015) Mrs E Foss-Smith (Resigned 1/4/2015) Mr S Neale (Resigned 1/4/2015) Dr D Priest (Resigned 1/4/2015) Mrs J Young (Resigned 1/4/2015) Mrs J Hunt (Resigned 1/4/2015) Mr I Dimmock (Resigned 1/4/2015) Mrs K Thompson (Resigned 1/4/2015) Mrs A Andreas (Resigned 1/4/2015) Helping Hands Trust Ltd (Appointed 1/4/2015) Mrs K Kirkham (Appointed 1/4/2015) My World Trust (Appointed 1/4/2015) Mr D Watson (Appointed 1/4/2015)</p>
<p>Principal and Accounting Officer:</p>	<p>Mrs K Kirkham</p>
<p>Principal and Registered Office:</p>	<p>Colchester Academy, Hawthorn Avenue, Colchester, Essex, C043JL</p>
<p>Company Registration Number:</p>	<p>07335838</p>
<p>Independent Auditor:</p>	<p>BDO LLP, 3 Hardman Street, Manchester M3 3AT</p>
<p>Bankers:</p>	<p>National Westminster Bank PLC, 100 The Crescent, Colchester Business Park, Colchester, Essex, C049GN</p>

Colchester Academy

Governors' Report

for the year ended 31 August 2015

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operated an Academy for pupils aged 11 to 16 serving a catchment area in Greenstead, Colchester which transferred over to Bright Tribe Trust on 1 April 2015.

Colchester Academy transferred over to Bright Tribe Trust on 1 April 2015. The assets and liabilities of the Academy transferred as a going concern from the Colchester Institute on 1 April 2015 and the Academy is dormant thereafter.

Structure, Governance and Management

Constitution

Colchester Academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association ("the Articles") are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Colchester Academy and are also the director of the charitable company for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The charitable company is known as Colchester Academy.

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

Qualifying third party indemnity provisions are in place in respect of the Governors.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed subject to the Articles and are subject to retirement after four years but are eligible for appointment at the meeting at which they retire, with the exception of the Chief Operating Officer.

Policies and Procedures Adopted for the Induction and Training of Governors

All trustees receive induction training and are supplied with copies of policies, procedures, minutes, budgets, plans and other documents required to undertake their role as trustee.

Organisational Structure

The governing body of Colchester Academy is constituted under the memorandum and articles of association. The governing body is responsible for ensuring high standards of corporate governance are maintained.

The governors are responsible for the strategic direction of the Academy, setting policy, agreeing the annual budget and the Academy Development Plan. Following the July 2014 Ofsted inspection the Statement of Action will serve as the Academy Development Plan until the next Ofsted Section 5 inspection. Governors are also responsible for monitoring the work of the Academy and ensuring the objectives of the trust are achieved.

Colchester Academy

Governors Report

for the year ended 31 August 2015

In addition to the full governing body meetings, Colchester Academy has a committee structure. The main committees are, Finance & General Purposes and Curriculum & Standards.

The Chair of Governors and Vice Chair of Governors met regularly with the Principal and governors visit Colchester Academy to make first hand observations of the work of the Academy. Reports of these visits are shared with all governors.

Related Parties and connected charities

Owing to the nature of the Academies operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at cost and in accordance with the Academies financial regulations and normal procurement procedures.

Colchester Academy is sponsored by Colchester Institute (Principal Sponsor) and the University of Essex (Co-Sponsor). In addition, the Anglian Community Enterprise Community Interest Company (ACE) is a Strategic Partner. Bright Tribe Trust is a company in which K Kirkham is a director. Further details are provided in note 27 to the financial statements.

Risk Management

The Academy has a formal risk management process in place to identify and assess all risks associated with the organisation; this enables the instigation of risk mitigation strategies. A Risk Register is in place which is subject to regular review and made available to all staff. Key members of staff and governors are involved in the preparation of the Risk Register, overseen by the Finance & General Purposes committee. All members of staff are aware of the risk management policy and the controls in place to limit exposure to risk. The Risk Register identifies the types of risk the Academy might encounter and rates the risks in terms of likelihood and impact. This ensures that the most significant risks are highlighted, appropriate strategies implemented and adequate resources allocated to minimise the risk.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Colchester Academy to transform the life chances of all Colchester Academy students; aged between 11 and 16 years of age.

The main objectives of Colchester Academy during the year ended 31st August 2015 are summarised below:

- to ensure every child enjoys a good education;
- to raise the standards of educational achievement of all pupils;
- to improve effectiveness by regular review of the curriculum and organisational structure of the Academy;
- to improve the quality of teaching and learning;
- to provide good value for money in the use of delegated funds; and
- to conduct all business of the Academy in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The main strategies of the Academy are to establish a pastoral and student support team to provide an exceptional standard of care for our young people and to employ high quality teachers and support staff to ensure high standards of teaching and learning to enable students to achieve.

Colchester Academy

Governors' Report

For the year ended 31 August 2015

Objectives, Strategies and Activities (continued)

Activities provided include:

- opportunities for all students to gain appropriate academic qualifications through consistently good teaching and on-going support;
- training and development opportunities for all staff;
- teaching staff professional development initiative to improve teaching & learning;
- a programme of enrichment activities for all students;
- careers advising scheme to help students progress to further education, higher education, employment or training.

Public Benefit

Colchester Academy has provided education to all registered students.

The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Partnerships with local Primary schools has been established and maintained. Primary school students have attended educational activities at Colchester Academy; including subsidised access to the Colchester Academy Sports Centre Limited facilities; Colchester Academy staff have also taught in local Primary schools.

Leisure and sports facilities have been provided to the community through Colchester Academy Sports Centre Limited.

Strategic Report

Achievements and Performance

To ensure that raising standards continue to be a central focus, the Academy operates an extensive staff development programme including coaching of teaching staff. Our progress is evaluated through an internal review process which includes the use of external consultants and we are subject to inspection by OFSTED.

The Academy has continued its robust approach to discipline.

The Academy will continue to work to improve the performance and achievement of its students in all aspects of Academy life. This will include continuing to make every effort to ensure all students enter higher education, further education, employment or training when they leave the Academy.

Key Performance Indicators

The governors regularly review Colchester Academy's actual income and expenditure against the authorised budget. Changes to the budget to reflect new information with regard to income or expenditure are approved in line with the authorisation limits established in the Colchester Academy Financial Regulations and Scheme of Delegation.

Ratio analysis and bench marking is performed annually to ensure that the Academy is applying its resources efficiently and effectively to achieve the best possible educational outcomes.

Colchester Academy

Governors' Report For the year ended 31 August 2015

Going Concern

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

Financial Review

The majority of Colchester Academy's income is derived from the Education Funding Agency (EFA), an agent of the Department for Education (DfE), in the form of recurrent grants, the use of which is limited to specific purposes. The grants received from the EFA during the year ended 31st August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Financial and Risk Management Objectives and Policies

During the year to 31st August 2015 total expenditure of £17.286m was covered by the EFA recurrent grant funding and other income. This resulted in net outgoing resources before transfers of £14.296m.

The Academy's non-teaching members of staff are entitled to membership of the Local Government Pension Scheme (LGPS). Colchester Academy's share of the LGPS assets is currently assessed to be less than the liabilities in the scheme, the Academy balance sheet shows a pension scheme liability of £nil (2014: £2,118,000).

Colchester Academy Sports Centre Limited incurred a profit for the year of £108,350 (2014: £42,970 loss) and has net liabilities of £nil (2014: £108,351).

Principal Risks and Uncertainties

Colchester Academy was a fast track project, opening in existing buildings, and with the exception of the Principal, the inherited staff.

The Colchester Organisation Plan was intended to deal with the issue of falling student numbers in Colchester. If the scheme had been implemented Colchester Academy would have grown rapidly to 1,200 students. Regrettably the plan was abandoned and Colchester Academy has had to contend with a collapsing roll.

Colchester Academy

Governors' Report for the year ended 31 August 2015

The Principal risks have been identified as;

- Threats to long term sustainability / falling roll.
- Financial Failure / Funding Shortfall
- Staff performance.
- Major / Catastrophic incident e.g. fire, flood, storm, terrorism, extreme weather.
- Major ICT Failure at the Academy.

Reserves Policy

The Governors review the reserve levels of Colchester Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The level of reserves will be kept under review and is necessary to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The majority of the Academy's funding is from the EFA with restrictions on the amount that can be carried forward. The restriction does not include any start-up funding received, this is eligible to be carried forward and utilised at the discretion of the trustees to achieve the objectives of the Academy at any time to the end of the start-up period.

At group level, Colchester Academy has total funds carried forward (before FRS 17 pension reserve) of £nil (2014: £16,606,283) of which £nil (2014: £898,897) has been carried forward as start-up funding to be spent by 31 August 2017. The Academy opened with an intake representing only a proportion of the final planned size of the Academy, payments based upon the number of pupils present would not have been sufficient to meet the Academy's needs in the Financial Years before all age groups are present at their planned size (the 'start-up period').

Investment Policy

The governors agree all investments made by Colchester Academy and will ensure that these are in line with the Charity Commission guidance. Investments are currently restricted to deposit accounts held with UK banks.

Colchester Academy

Governors' Report

for the year ended 31 August 2015

Plans for Future Periods

Colchester Academy transferred over to Bright Tribe Trust on 1 April 2015. The assets and liabilities of the Academy transferred as a going concern from the Colchester Institute on 1 April 2015 and are dormant thereafter.

Auditor

Insofar as the governors are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 22/12/2015 and signed on the board's behalf by:



Mr D Watson

Trustee

Colchester Academy

Governance Statement

Scope of Responsibility

As governors we acknowledge we have overall responsibility for ensuring that the Colchester Academy 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.

Up until the academy was transferred to Bright Tribe Trust on 1 April 2015, the governing body delegated the day to day responsibility to Mr Barry Hersom, Principal, as accounting officer, for ensuring financial controls confirm with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Colchester Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors Report and in the Statement of governors responsibilities. The governing body has formally met four times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mrs A Andreas (Chairman) (Resigned 1/4/2015)	4	4
Mrs E Foss-Smith (Vice Chair) (Resigned 1/4/2015)	3	4
Mr B Hersom (Principal) (Resigned 1/4/2015)	4	4
Mrs C Murphv (Staff Governor) (Resigned 1/4/2015)	4	4
Miss M Borges (Resigned 1/4/2015)	4	4
Mrs K Thompson (Resigned 1/4/2015)	2	4
Mr S Neale (Resigned 1/4/2015)	3	4
Dr D Priest (Resigned 1/4/2015)	4	4
Mrs J Young (Resigned 1/4/2015)	4	4
Mrs J Hunt (Resigned 1/4/2015)	2	4
Mr I Dimmock (Resigned 1/4/2015)	4	4
Helping Hands Trust Ltd (Appointed 1/4/2015)	-	-
Mrs K Kirkham (Appointed 1/4/2015)	-	-
My World Trust (Appointed 1/4/2015)	-	-
Mr D Watson (Appointed 1/4/2015)	-	-

Following the July 2014 Ofsted inspection a review of governance is being undertaken.

Colchester Academy

Governance Statement

The Finance and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to:

- The initial review and recommendation of the annual budget;
- The regular monitoring of actual income and expenditure against budget;
- To authorise the award of orders and contract within the limits set out in the Financial Regulations;
- To determine the lettings and charging policy for the external use of the Academy premises;
- To review the reports of the Internal Audit Reports on the effectiveness of the financial procedures and controls;

Attendance at meetings during the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs A Andreas (Chairman)	2	2
Mr B Hersom (Principal)	2	2
Mr S Neale	2	2
Dr D Priest	2	2

Review of Value for Money

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

Improving educational outcomes of its students whilst operating within the financial constraints or the budget.

Securing additional third party income and grants.

Colchester Academy

Governance Statement

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 the trusts 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 Colchester Academy for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body 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 governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process was regularly reviewed by the board of trustees.

The Risk and Control Framework

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

comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;

regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. Up until the academy transferred to Bright Tribe Trust on 1 April 2015, the governors appointed Scrutton Bland, to perform additional checks. The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the governing body received a report on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities.

Colchester Academy

Governance Statement

Review of Effectiveness

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

- the work of the external auditor:
- the work of the finance and operations director who has the 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 and General Purpose committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 22/12/15 and signed on its behalf by:



Mr D Watson

Trustee



Mrs K Kirkham

Accounting Officer

Colchester Academy

Statement on Regularity, Propriety and Compliance

As accounting officer of the Colchester Academy I have considered my responsibility to notify the Academy Trust governing body 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. 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 governing body 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.

During the year one instance of material irregularity has been identified:

- During the year the Academy entered into a finance lease agreements for 9 mobile phones without the required approval from the EFA.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

Km Kirkham

Mrs K Kirkham

Accounting Officer

Date: 22/12/2015

Colchester Academy

Statement of Governors' Responsibilities

for the year ended 31 August 2015

The governors (who act as trustees for charitable activities of Colchester Academy and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the governing body on 22/12/15 and signed on its behalf by:



Mrs K Kirkham
Trustee

Colchester Academy

Independent Auditor's Report to the Members and Trustees of Colchester Academy Limited

We have audited the financial statements of Colchester Academy Limited ("the Academy") for the year ended 31 August 2015 which comprise the statement of financial activities, incorporating the income and expenditure account and statement of total recognised gains and losses, the balance sheet, the cashflow statement and the related notes. 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 Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2014 to 2015 (SORP 2005). Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the trustees' responsibilities statement, the trustees (who act as governors of Colchester Academy Limited and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the EFA.

Colchester Academy

Independent Auditor's Report to the Members and Trustees of Colchester Academy Limited (Cont'd)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, which includes the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

BDO LLP

Mark Sykes (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester

United Kingdom

Date: *22 December 2015*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Colchester Academy

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

In accordance with the terms of our engagement letter dated 6 November 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015 (SORP 2005), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy during the year 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 the Academy and to the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Academy and to 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 Academy and to the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Colchester Academy Limited's accounting officer and the reporting accounting

The accounting officer is responsible, under the requirements of The Academy's funding agreement with the Secretary of State for Education dated 2 October 2013 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015 (SORP 2005). 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 year 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 (SORP 2005) issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified. Our work is performed in accordance with Part 9 of the Academies Accounts Direction 2014 to 2015 (SORP 2005).

Colchester Academy

Independent Reporting Accountant's Assurance Report on Regularity to the Colchester Academy Limited and Education Funding Agency (Cont'd)

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 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.

Matter 1: During the year the Academy entered into a finance lease agreement for 9 mobile phones without the required approval from the EFA.



BDO LLP

Chartered Accountants

Manchester

United Kingdom

Date: 22 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Colchester Academy

Statement of Financial Activities incorporating Income & Expenditure Account

for the year ended 31 August 2015

	Note	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2015 £'000	Total 2014 £'000
Incoming Resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	3	4	-	-	4	13
Activities for generating income	4	87	-	-	87	249
Investment income	5	4	-	-	4	18
<i>Incoming resources from charitable activities:</i>						
Funding for the academy's educational operations	6	-	2,730	165	2,895	7,453
Total income resources		95	2,730	165	2,990	7,733
Resources expended						
<i>Cost of generating funds:</i>						
Transfer of assets to another academy trust		921	(2,310)	15,323	13,934	-
Fundraising trading	7	-	-	-	-	93
<i>Charitable activities:</i>						
Academy trust educational operations	8	-	3,062	279	3,341	5,569
Governance costs	9	-	11	-	11	171
Total resources expended	7	921	763	15,602	17,286	5,833
Net incoming/(outgoing) resources before transfers		(826)	1,967	(15,437)	(14,296)	1,900
Gross transfers between funds	17	672	(702)	30	-	-
Net income/(expenditure) for the year		(154)	1,265	(15,407)	(14,296)	1,900
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes		-	(192)	-	(192)	(66)
Net movement in funds		(154)	1,073	(15,407)	(14,488)	1,834

Colchester Academy

Statement of Financial Activities incorporating Income & Expenditure Account

for the year ended 31 August 2015 (*continued*)

		Unrestricted funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2015	Total 2014
	Note	£'000	£'000	£'000	£'000	£'000
Reconciliation of funds						
Net movement in funds brought forward		(154)	1,073	(15,407)	(14,488)	1,834
Total funds brought forward at 1 September 2014	17	154	(1,073)	15,407	14,488	12,654
<hr/>						
Total funds carried forward at 31 August 2015		-	-	-	-	14,488
<hr/>						

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

The Fund has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the net movement in funds stated above, and its historical cost equivalent. All operational activities above were discontinued on the 31 March 2015 with the closure of the Fund.

Colchester Academy transferred over to Bright Tribe Trust on 1 April 2015. The assets and liabilities of the Academy transferred as a going concern from the Colchester Institute on 1 April 2015 and the Academy is dormant thereafter.

Colchester Academy

Consolidated Balance Sheet

at 31 August 2015

Company Number: 07335838

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Tangible assets	13		-		15,409
					15,409
Current assets					
Debtors	15	-		272	
Cash at bank and in hand		39		1,794	
		39		2,066	
Liabilities					
Creditors: amounts falling due within one year	16	(39)		(869)	
Net current assets			-		1,197
Total assets less current liabilities			-		16,606
Pension scheme liability	26		-		(2,118)
Net assets including pension liability			-		14,488
Funds of the academy trust					
Restricted funds					
Fixed asset fund	17	-		15,408	
General fund	17	-		1,044	
Pension reserve	17	-		(2,118)	
Total restricted funds			-		14,334
Unrestricted funds	17		-		154
Total funds			-		14,488

The financial statements on pages 18 to 44 were approved by the trustees, and authorised for issue on 22/12/2015 and are signed on their behalf by:



Mr D Watson
Trustee

Colchester Academy

Company Balance Sheet

at 31 August 2015

Company Number: 07335838

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Tangible assets	13		-		15,409
Investments	14		-		-
			-		15,409
Current assets					
Debtors	15	1		280	
Cash at bank and in hand		38		1,780	
		39		2,060	
Liabilities					
Creditors: amounts falling due within one year	16	(39)		(863)	
Net current assets			-		1,197
Total assets less current liabilities			-		16,606
Pension scheme liability	26		-		(2,118)
Net assets including pension liability			-		14,488
Funds of the academy trust					
Restricted funds					
Fixed asset fund	17	-		15,408	
General fund	17	-		1,044	
Pension reserve	17	-		(2,118)	
Total restricted funds			-		14,334
Unrestricted funds	17		-		154
Total funds			-		14,488

The financial statements on pages 18 to 44 were approved by the trustees, and authorised for issue on 22/12/2015 and are signed on their behalf by:



Mr D Watson
Trustee

Colchester Academy

Consolidated Cash flow statement for the year ended 31 August 2015

	Note	2015 £'000	2014 £'000
Net cash inflow from operating activities	20	(810)	234
Returns on investments and servicing of finance	21	4	18
Capital expenditure	22	(28)	(3,406)
Transfer of assets to another academy trust		(921)	-
		<hr/>	<hr/>
(Decrease)/increase in cash in the year	23	(1,755)	(3,154)
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		1,794	4,948
		<hr/>	<hr/>
Net funds at 31 August 2015		39	1,794
		<hr/>	<hr/>

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015

1. Accounting Policies

Basis of Preparation

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

Colchester Academy transferred over to Bright Tribe Trust on 1 April 2015. The assets and liabilities of the Academy transferred as a going concern from the Colchester Institute on 1 April 2015. and the Academy is dormant thereafter. These accounts are for the full year to 31 August 2015.

Basis of Consolidation

The consolidated statement for financial activities and group balance sheet includes the financial statements of the charitable company and its trading subsidiary Colchester Academy Sports Centre Limited made up to the balance sheet date.

No separate statement of financial activities has been presented for Colchester Academy alone, as permitted by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The trustees have a reasonable expectation that the Academy has adequate resources to continue for the foreseeable future and therefore the financial statements have been prepared on the going concern basis.

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 grants are reflected in the balance in the restricted fixed asset fund.

Colchester Academy

Notes forming part of the financial statements

for the period ended 31 August 2015(continued)

1. Accounting Policies (continued)

Incoming Resources (continued)

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 Colchester Academy are recognised at their cost in the period in which they are receivable as incoming resources, where the benefit to the Academy 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.

Resources Expended

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 staff costs allocated on the basis of time spent. Other costs are allocated based on a fair approximation of cost compared to the income streams to which they relate.

Cost 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's educational operations.

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

All resources expended are inclusive of irrecoverable VAT, however irrecoverable VAT has been shown separately within charitable activities – direct costs.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Colchester Academy

Notes forming part of the financial statements

for the period ended 31 August 2015 (continued)

1. Accounting Policies (continued)

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

Depreciation is provided on all tangible fixed assets 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 land and buildings	125 years
Fixtures and equipment	5 years
Computer equipment	3 years
Motor vehicles	5 years

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

Leased assets

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

Investments

The Academy's shareholding in the wholly owned subsidiary, Colchester Academy Sports Centre Limited, is included in the balance sheet at the cost, less provision for any diminution in value.

Stock

No uniform stock is held by Colchester Academy, parents buy directly from the manufacturer.

Taxation

The Academy is considered to pass the tests set out in Paragraph 2 Schedule 6 of the Finance Act 2010 and therefore meets its definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

1. Accounting Policies (continued)

Pensions Benefits

Retirement Benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS'). This is a 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 Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, 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 recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 updated each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose. The fund represents the carrying value of funded fixed assets as well as unexpected cash received for capital purposes.

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

Financial Instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets or financial liabilities.

Colchester Academy

Notes forming part of the financial statements for the year ended 31 August 2015 (continued)35

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31st August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31st August 2015.

3. Voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Gifts in kind	-	-	-	10
Other donations	4	-	4	3
	4	-	4	13

4. Activities for generating income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	11	-	11	88
Catering income	71	-	71	73
Other income	5	-	5	88
	87	-	87	249

5. Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Short term deposits	4	-	4	18
	4	-	4	18

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

6. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
DfE/EFA revenue grants				
General Annual Grant (GAG) (note 2)	-	2,645	2,645	4,479
Start up grants	-	26	26	164
Capital grants	-	165	165	2,122
DfE Maintenance grant	-	-	-	165
Other DfE/EFA grants	-	13	13	464
	-	2,849	2,849	7,394
Other funding				
SEN from local authority	-	15	15	18
Other	-	31	31	41
	-	46	46	59
	-	2,895	2,895	7,453

7. Resources expended

	Staff Costs £'000	Non-Pay Expenditure Premises £'000	Other £'000	Total 2015 £'000	Total 2014 £'000
Fundraising trading	-	-	-	-	93
Transfer of assets to another academy trust	-	-	13,934	13,934	-
Academy's educational operations:					
Direct costs	1,971	-	523	2,494	3,575
Allocated support costs	423	252	172	847	1,994
	2,394	252	14,629	17,275	5,569
Governance costs including allocated support costs	-	-	11	11	171
	2,394	252	14,640	17,286	5,833

	Total 2015 £'000	Total 2014 £'000
Fees payable to auditor for:		
- Audit	11	10
- Other audit costs	-	9
Operating Leases		
- Other	2	2

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

8. Charitable Activities

	Total 2015 £'000	Total 2014 £'000
Direct costs – educational operations		
Teaching and educational support staff costs	1,971	2,948
Depreciation	279	267
Educational supplies	134	55
Examination fees	11	60
Staff development	31	89
Educational consultancy	37	-
Other direct costs	31	156
	2,494	3,575
Support costs – educational operations		
Support staff costs	423	1,238
Project management	-	-
Technology costs	52	-
Recruitment and support	19	54
Maintenance of premises and equipment	73	230
Cleaning	3	34
Rent and rates	36	40
Energy costs	39	94
Insurance	25	42
Security and transport	7	26
Catering	69	115
Other support costs	101	121
	847	1,994
Total direct and support costs	3,341	5,569

9. Governance costs

	Total 2015 £'000	Total 2014 £'000
Legal and professional fees	-	60
Auditors' remuneration		
Audit of financial statements	11	10
Other audit costs	-	9
Support costs	-	82
Governors' and sponsors' donated time	-	10
	11	171

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

10. Staff

a) Staff costs

	2015 £'000	2014 £'000
Staff costs during the period were:		
Wages and salaries	1,798	3,329
Social security costs	133	256
Other Pension costs	280	508
Current service cost (net of employer contributions) (note 27)	-	(4)
	<hr/> 2,211	<hr/> 4,089
Supply teacher costs	69	46
Staff restructuring costs	114	128
	<hr/> 2,394	<hr/> 4,263

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £60k (2014: £128k). Individually, the payments were: £2,624, £1,911, £2,278, £3,612, £11,096, £335, £1,828, £788, £14,432, £15,128, £4,216, £441 and £1,050.

b) Staff numbers

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

	2015 No.	2014 No.
Charitable activities		
Teachers	41	47
Administration and support	49	51
Management	6	7
	<hr/> 96	<hr/> 105

c) Higher paid staff

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

	2015 No.	2014 No.
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£110,001 - £120,000	-	1
	<hr/> <hr/>	<hr/> <hr/>

One (2014: Two) of the employees above participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £9,459 (2014: £26,643).

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

11. Related party transactions – Trustees' remuneration and expenses

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

B Hersom (Principal and Trustee)	£65,001- £70,000 (2014: £110,001 - £120,000)
C Murphy (Staff Governor)	£15,001 - £20,000 (2014: £20,001 - £30,000)

During the period ended 31 August 2015, no travel and subsistence expenses were reimbursed to trustees.

Any related party transactions are disclosed in note 28.

12. Trustees' and Officers' Insurance

During the year to 31 August 2015, the academy trust was a member of the Department for Education's (DfE's) Risk Protection Arrangement (RPA). This is a voluntary arrangement for academy trusts effective from 1 September 2014.

The RPA Administrator's limit of liability in respect of the RPA Administrator from all losses for those whose academy trust is a member during any one membership year.

The specific cost of trustees' and officers' liability insurance cannot be differentiated from the total cost of the risk arrangement.

In the prior year the insurance provided cover of £2,000,000 on any one claim costing £184 for the year to 31 August 2014.

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

13. Tangible Assets

Group

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2014	14,550	178	1,014	18	15,760
Additions	183	10	-	-	193
Disposals	(14,733)	(188)	(1,014)	(18)	(15,953)
At 31 August 2015	-	-	-	-	-
Depreciation					
At 1 September 2014	58	84	205	4	351
Charged in period	68	16	193	2	279
Disposals	(126)	(100)	(398)	(6)	(630)
At 31 August 2015	-	-	-	-	-
Net Book Value					
At 1 September 2014	14,492	94	809	14	15,409
At 31 August 2015	-	-	-	-	-

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

13. Tangible Assets (continued)

Company

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2014	14,550	175	1,014	18	15,757
Additions	183	10	-	-	193
Disposals	(14,733)	(185)	(1,014)	(18)	(15,950)
At 31 August 2015	-	-	-	-	-
Depreciation					
At 1 September 2014	58	81	205	4	348
Charged in period	68	16	193	2	279
Disposals	(126)	(97)	(398)	(6)	(627)
At 31 August 2015	-	-	-	-	-
Net Book Value					
At 1 September 2014	14,492	94	809	14	15,409
At 31 August 2015	-	-	-	-	-

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

14. Investments

	Investments in subsidiary companies £'000
Cost or valuation	
At 1 September 2014	-
At 31 August 2015	-
Net book value	
At 1 September 2014	-
At 31 August 2015	-

Subsidiary undertaking

The following was a subsidiary undertaking of the company.

Name	Class of shares	Holding
Colchester Academy Sports Centre Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 August 2015 and the profit/(loss) for the year ended that date were:

Name	Aggregate of share capital and reserves £'000	Profit/(loss)
Colchester Academy Sports Centre Limited	-	-

15. Debtors

	2015 £'000	Group 2014 £'000	2015 £'000	Company 2014 £'000
Trade debtors	-	22	-	16
Amount due from subsidiary undertaking	-	-	1	17
VAT recoverable	-	92	-	92
Other debtors	-	68	-	65
Prepayments and accrued income	-	90	-	90
	-	272	1	280

16. Creditors: amounts falling due within one year

	2015 £'000	Group 2014 £'000	2015 £'000	Company 2014 £'000
Trade creditors	-	54	-	54
Other creditors	39	128	39	125
Other taxation and social security	-	80	-	77
Accruals and deferred income	-	607	-	607
	39	869	39	863

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

17. Funds

	Balance at 1 September 2014 £'000	Incoming Resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2015 £'000
Restricted general funds					
General Annual Grant (GAG)	-	2,645	(1,943)	(702)	-
Start-up Grant	899	26	(925)	-	-
Other DfE/EFA grants	-	13	(13)	-	-
DfE Maintenance grants	145	-	(145)	-	-
LEA and other grants	-	46	(46)	-	-
Pension Reserve	(2,118)	-	2,310	(192)	-
	(1,074)	2,730	(762)	(894)	-
Restricted fixed asset funds					
DfE/EFA capital grants	29	165	(194)	-	-
DfE/EFA new building capital grants	14,491	-	(14,491)	-	-
DfE/EFA ICT capital grant	800	-	(800)	-	-
Capital expenditure from GAG	88	-	(118)	30	-
	15,408	165	(15,603)	30	-
Total restricted funds	14,334	2,895	(16,365)	(864)	-
Unrestricted funds					
Unrestricted funds	154	95	(921)	672	-
Total unrestricted funds	154	95	(921)	672	-
Total funds	14,488	2,990	(17,286)	(192)	-

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

17. Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy is subject to a clawback where the pupil numbers fall by more than 2.5%.

The start up grants are to support additional costs for a period after the Academy opens. These can be carried forward and utilised as long as one stream of start up funding is being received. The last EFA Funding Statement shows that the final payment will be made during 2016/17. The EFA guidance explains that the start up funding is provided in much broader terms than changing status from a school to an academy. Several other factors are also relevant, including the level of student numbers.

Other restricted general funds have been applied to the incoming resources to which they relate.

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

Restricted fixed assets were funded by government grants and assets inherited on conversion to an Academy.

18. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	-	-
Current assets	-	-	-	-
Current liabilities	-	-	-	-
Pension scheme liability	-	-	-	-
Total net assets	-	-	-	-

Colchester Academy

Notes forming part of the financial statements for the year ended 31 August 2015 (continued)

19. Financial commitments

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

	2015	2014
	£'000	£'000
Operating Leases		
Other		
Expiring with one year	-	2

20. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2015	2014
	£'000	£'000
Net income	(362)	(141)
Capital grants	(165)	-
Interest receivable (Note 5)	(4)	(18)
Depreciation (Note 13)	279	268
(Increase)/decrease in debtors	272	383
Increase/(decrease) in creditors	(830)	(258)
Net cash provided by / (used in) Operating Activities	(810)	234

21. Returns on Investments and Servicing of Finance

	2015	2014
	£'000	£'000
Interest received	4	18
Net cash inflow from returns on investment and servicing of finance	4	18

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

22. Capital expenditure and financial investment

	2015 £'000	2014 £'000
Purchase of tangible fixed assets	(193)	(5,529)
Capital grants from DfE/EFA	165	2,123
Net cash outflow from capital expenditure and financial investment	(28)	(3,406)

23. Analysis of changes in net debt

	At 1 September 2014 £'000	Cashflow £'000	At 31 August 2015 £'000
Cash in hand and at bank	1,794	(1,755)	39
	1,794	(1,755)	39

24. Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any assets for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay the EFA the same proportion of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy for its charitable purposes.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined with reference to

the value, at the time, of the Academy's site and premises and other assets held for the purpose of the Academy and;

the extent to which expenditure incurred providing those assets was met by payments by the Secretary of State under the Funding Agreement.

Upon termination of the Funding Agreement the Academy's pension liability is expected to transfer to any successor organisation.

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

25. Members' liabilities

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

26. Pension and similar obligations

The Academy's employees belong to two Principal Pension Schemes; the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are defined-benefit schemes.

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

Contributions amounting to £nil (2014: £66,481) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

26. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for services 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; and

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 contributions contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £281,901.

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

Under the definitions set out in the Financial Reporting Standard (FRS17) 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 contribution made for the year ended 31 August 2015 was £89,201, of which employer's contributions totalled £58,321 and employees' contributions totalled £30,880.

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.

	2015	2014
Rate of increase in salaries	- %	4.50%
Rate of increase for pensions in payment / inflation	- %	2.70%
Discount rate for scheme liabilities	- %	3.90%
Inflation assumption (RPI)	- %	3.50%
Inflation assumption (CPI)	- %	2.70%

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for the year ended 31 August 2015 (continued)

26. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2015	2014
<i>Retiring today</i>		
Males	-	22.7
Females	-	25.1
<i>Retiring in 20 years</i>		
Males	-	24.9
Females	-	27.4

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

	Expected return at 31 August 2015	Fair value at 31 August 2015	Expected return at 31 August 2014	Fair value at 31 August 2014
		£'000		£'000
Equities	- %	-	6.10%	556
Gilts	- %	-	3.00%	56
Other Bonds	- %	-	3.60%	95
Property	- %	-	5.10%	100
Cash	- %	-	2.90%	24
Alternative Assets	- %	-	4.40%	34
Total market value of assets		-		865
Present value of scheme liabilities				
- Funded		-		(2,983)
Surplus/(deficit) in the scheme		-		(2,118)

The expected rate of return on plan assets is based on market expectations at the beginning of the year and for investment returns over the entire life of the related obligation. The assumption used is the average of the above assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset classes. The rates quoted are gross of expenses.

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Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

26. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2015	2014
	£'000	£'000
Current service cost (net of employee contributions)	2	4
Past service cost	-	-
Total operating charge	2	4
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	30	41
Interest on pension liabilities	(71)	(127)
Pension finance income/(costs)	(41)	(86)
Support costs	(41)	(86)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is £490k (2014: £298k loss).

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

	2015	2014
	£'000	£'000
At 1 September	2,983	2,600
Current service cost	134	196
Interest cost	71	127
Employee contributions	31	54
Actuarial (gain)/loss	157	82
Benefits paid	31	(76)
Losses/(gains) on curtailments	23	-
Business combinations	(3,430)	-
At 31 August	-	2,983

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Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

26. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2015	2014
	£'000	£'000
At 1 st September	865	630
Expected return on assets	30	41
Actuarial gain/(loss)	31	16
Employer contributions	132	200
Employee contributions	31	54
Benefits paid	31	(76)
Business combinations	(1,120)	-
At 31 August	-	865

The history of experience adjustments is as follows:

	2015	2014
	£'000	£'000
Present value of defined benefit obligations	-	(2,983)
Fair value of share of scheme assets	-	865
Deficit in the scheme	-	(2,118)
Experience adjustments on share of scheme assets		
Amount £'000	-	16
Experience adjustments on share of scheme liabilities		
Amount £'000	-	(43)

Colchester Academy

Notes forming part of the financial statements

for the year ended 31 August 2015 (continued)

27. Related party transactions

Owing to the nature of the Academies operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at cost and in accordance with the Academies financial regulations and normal procurement procedures.

Colchester Academy is sponsored by Colchester Institute (Principal Sponsor) and the University of Essex (Co-Sponsor). In addition, the Anglian Community Enterprise Community Interest Company (ACE) is a Strategic Partner.

During the year ended 31 August 2015, Colchester Academy incurred costs of £31,041 (2014: £36,859) from Colchester Institute. This includes £nil (2014: £6,439) of time that Colchester Institute provided free of charge. At 31 August 2015 Colchester Academy owed £nil (2014: £10) to Colchester Institute.

During the year ended 31 August 2015, Colchester Academy incurred costs of £3,724 (2014: £3,193) from the University of Essex. This includes £nil (2014: £3,193) of time that has been provided free of charge.

Colchester Academy Sports Centre is wholly owned by Colchester Academy. In the year to 31 August 2015, the amounts recharged from Colchester Academy in respect of staff costs and rent and service charges totalled £33,340 (2014: £115,803). At 31 August 2015, Colchester Academy was owed £617 (2014: £124,908) by Colchester Academy Sports Centre Limited.

Bright Tribe Trust is a company in which K Kirkham is a director. Included within creditors is a balance of £38,572 (2014 - £nil) due to this company. The academy transferred over to the trust on 1st April 2015.