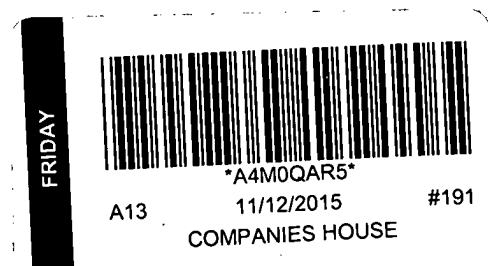


Company Registration No. 07393519 (England and Wales)

DARRICK WOOD SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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



DARRICK WOOD SCHOOL

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DARRICK WOOD SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Dr M Airey (Head Teacher) *
Ms L-A Avis
Mr P Cook *
Mr A Duckworth
Mr J Goatcher (Chairman of Finance Committee) *
Mr M Green
Mr W Harris
Mrs J Hewitt *
Mr M Hewitt (Chairman) *
Mr C Hitchins
Mr M King *
Mrs K Morris
Mr I Park
Mrs M Piper-Killick
Mrs B Rhymaun (Executive Head Teacher) *
Mr T Springett
Mr A Thompson
Mr J Tuck
Mr R Voyce
Mr D Wilcox (Vice Chairman) *

* members of the Finance Committee

Members

Lesley-Anne Avis
James Goatcher
Michael Hewitt
Clive Hitchins
David Wilcox

Senior management team

- Executive Head Teacher	Mrs B Rhymaun
- Head of School	Dr M Airey
- Deputy Head Teacher	Mr K Elliott
- Deputy Head Teacher	Mr B Heath
- Deputy Head Teacher	Ms C Wilson-Hooper
- Business Manager	Mr W Toth

Company Secretary

Mrs A Carey

Company registration number

07393519 (England and Wales)

Registered office

Lovibonds Avenue
Orpington
Kent
BR6 8ER

DARRICK WOOD SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Bankers

Barclays Corporate Bank
73 Tweedy Road
Donegal House
Bromley
Kent
BR1 1RG

Solicitors

Ms S McCullough
Legal Democratic and Customer Service
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

Surveyors

Academy Consulting Solutions Ltd
Academy House
27 Forest Road
Tunbridge Wells
TN2 5AL

DARRICK WOOD SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The Governors (Trustees) present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2014 to 31 August 2015. The annual report serves the purposes of both a Governors' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, and the Statement of Recommended Practice. "Accounting and Reporting by Charities", issued in March 2005, and the Academies' Accounts Direction 2014/15 issued by the Education Funding Agency.

The trust operates an academy for pupils aged 11-18 serving a catchment area in the London Borough of Bromley. It had a roll of 1703, including 393 in the Sixth Form, in the school census, October 2014.

Principal activity

The principal activity of the charitable company during the year was the educational provision of teaching and learning to students of different abilities between the ages of 11 and 18.

Structure, governance and management

Constitution

The charitable company is a company limited by guarantee. The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation.

The Governors (Trustees), who are also the directors for the purpose of company law, and who served during the period were:

Dr M Airey (from 13th April 2015)
Ms L-A Avis
Mr P Cook
Mr A Duckworth
Mr J Goatcher
Mr M Green
Mr W Harris
Mrs J Hewitt
Mr M Hewitt (Chairman)
Mr C Hitchins
Mr M King
Mrs K Morris
Mr I Park
Mrs M Piper-Killick
Mrs B Rhymaun (Executive Head Teacher, resigned 12th April 2015)
Mr T Springett
Mr A Thompson (resigned 30th March 2015)
Mr J Tuck
Mr R Voyce
Mr D Wilcox (Vice Chairman)

The Academy is a company limited by guarantee with no share capital (registration no 07393519) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. Members of the charitable company are nominated by the Trust Members, parents /carers of the students, members of staff and the local authority. The Articles of Association require the members of the charitable company to appoint five governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

Members' liability

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

DARRICK WOOD SCHOOL
GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

Governors' indemnities

No third party indemnity provisions have been provided.

Method of recruitment and appointment of Governors

The number of Governors shall not be less than three (unless otherwise determined by ordinary resolution) and shall not be subject to any maximum. Future Governors shall be appointed, as the case may be, under the terms of the Articles of Association.

Governors, apart from the Head Teacher are subject to retirement after 4 years of service but are eligible for re-election at the meeting at which they retire, unless they represent parents, the teaching staff, associate staff or the local authority.

During the year under review the governors held 3 full meetings, and governors visited on the 6th March 2015 to observe teaching and learning in a range of classrooms. The work of the governing body is facilitated by its structure of committees.

Policies and procedures adopted for the induction and training of Governors

There was a full day's training event (10th June 2015) covering issues relevant to the School's improvement plans. Stable membership of the Governing Body negated the need for induction training. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as governors.

Organisational structure

The structure consisted of different levels: the Governors, the Executive Head Teacher, a Head of School, two Deputy Head Teachers, and the Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Senior Managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Governor. Some spending control is devolved to members of the Management Team, with limits above which a Senior Manager must countersign.

The Management Team includes the Business Manager, Assistant Head Teachers, Heads of Faculty, Achievement Co-ordinators, Heads of Department and the Premises Manager.

Related Parties and other Connected Charities and Organisations

There are no connected organisations. Details of transactions with related parties are disclosed in note 22 to the financial statements.

DARRICK WOOD SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and Activities

Objects and aims

The mission of the Academy is to provide the highest quality of teaching and learning. It has four corporate goals:

Customer goal (Cus) To be a school which children and their parents are eager to choose.

Curriculum goal (Cur) To provide all students with the appropriate qualifications, skills and values to equip them for life.

Community goal (Com) To take pride in the School and feel responsible for its success.

Quality goal (Qual) To strive for the highest possible standards in all aspects of school life.

The school community has agreed values: respect, honesty and responsibility. These permeate the day-to-day work of the School and are reflected within "The Darrick Wood Way".

Objectives, strategies and activities

The School development plan identified nine objectives for 2014 - 2015:

- To ensure more able boys narrow the gap in attainment between them and the girls (Cus1)
- To close the achievement gap between pupil premium and non-pupil premium pupils (Cus2)
- To raise achievement in the Sixth Form (Cus3)
- To develop writing skills in all subjects including spelling, punctuation and grammar (Cur1)
- To improve the reading skills of targeted pupils (Cur2)
- To use the latest technologies to enhance learning and communication (Cur3)
- To prepare for changes to the curriculum (Cur4)
- To develop students as leaders (Com1)
- To increase the numbers of outstanding teachers and leaders (Qual1).

The Sports Centre was re-opened in October 2014.

Regular and rigorous school self-evaluation is used to ensure that the school continues to be outstanding when compared with other schools. The school values the views of its students through the operation of its School Council and sub-councils e.g. the Teaching and Learning Council and the Sports Council.

Public benefit

The Academy aims to advance for the public benefit, education in the United Kingdom. In setting the objectives of the Academy and planning the associated activities, the Governors have given careful consideration to the Charity Commission's general guidance on Public Benefit.

Strategic report

Achievements and performance

Examination results continue to be outstanding. GCSE results show 75% of students achieving 5 or more A*-C GCSE grades including English and Mathematics (compared with 55% nationally in 2014). 47% of pupils gained the Educational Baccalaureate (compared with 24% nationally in 2014). These are the two key performance indicators set by the government. The value added from Key Stage 2 to the end of Key Stage 4 was exceptionally high.

The A level results were the second best in the School's history with students achieving an average points score of 334 (UCAS). 51% of entries achieved an A*, A or B grade and 33 out of the 34 subjects available achieved 100% pass rate.

DARRICK WOOD SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Key performance indicators

Key financial performance indicators have been set by Governors, so that the financial position remains sufficient to fund future needs.

- The allocation of resources has promoted the aims and values of the School, improved standards and the quality of provisions to meet the needs of all pupils.
- Competitive purchasing procedures have secured the best value for money.
- A new 3G pitch was installed and the Sports Centre re-opened.
- Ensured the financial position remains positive in spite of substantial cuts in government funding.
- Students' standards of attainment are very high and improving.
- The quality of teaching is outstanding.
- Overall School attendance at 96% remains high compared with the national average of 94.9% in 2013-14.
- One student was permanently excluded (0.12% nationally).
- Fixed term exclusions at 0.28% contrast with 7.98% of pupils nationally.

Other Key Performance Indicators

- An external review identified all aspects of the School as outstanding.
- The places in Year 7 are over-subscribed.
- The Turner building has been re-roofed with improved insulation to conserve heat.
- All bench surfaces within the science laboratories have been replaced to assist scientific learning.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the accounts.

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant -GAG). The EFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/EFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

DARRICK WOOD SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The following balances held were held at 31 August;

Fund	Category	2015 £'000	2014 £'000
GAG	Restricted General Funds	-	-
Other DfE/EFA Grants	Restricted General Funds	34	30
Other Income	Restricted General Funds	<u>154</u>	<u>157</u>
Sub-total	General Restricted Funds	188	187
Unspent Capital Grants	Restricted Fixed Asset Fund	-	-
Other Income	Unrestricted General Fund	<u>245</u>	<u>343</u>
Sub-Total	Spendable Funds	433	530
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	11,105	11,572
Share of LGPS Deficit	Restricted Pension Reserve	<u>(939)</u>	<u>(830)</u>
Total	All Funds	<u>10,599</u>	<u>11,272</u>

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure, approximately £775k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves available for spending (total funds less the amount held in fixed asset fund and LGPS fund) is £433k.

Governors keep spendable reserves under constant review to ensure that they have sufficient income to run the Academy on an efficient basis without affecting the quality of teaching and learning.

Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks.

Principal risks and uncertainties

Governors have considered the principal risks and uncertainties that the Academy may be exposed to. Policies and controls have been designed so that these risks and uncertainties can be quickly identified, allowing the Academy to respond swiftly in order to eliminate them.

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

DARRICK WOOD SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Statement on the System of Internal Financial Control

As Governors, we acknowledge we have overall responsibility for ensuring that Darrick Wood School has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The Academy is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- The proper records are maintained and financial information used within the Academy or for publication is reliable;
- The Academy complies with relevant laws and regulations.

The 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 governing body;

- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment guidelines).
- Delegation of authority and segregation of duties;
- Identification and management of risks.

In addition, the governors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have set policies on internal controls which cover the following:

- The type of risks the Academy faces;
- The level of risks which they regard as acceptable;
- The likelihood of the risks materialising;
- The Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
- The costs of operating particular controls relative to the benefits obtained;
- Clarified the responsibility of the Management Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration;
- Explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- Embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy;
- Developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment; and
- Included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being undertaken.

Equal opportunities policy

The Governors recognise that equal opportunities are integral to good practice within the workplace. The Academy has established equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued. The Academy meets the requirements of the Equality Act 2010.

Disabled persons

DARRICK WOOD SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy and remain a priority as the accommodation is enhanced. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

Plans for future periods

The School Development Plan 2015-2018 reflects the School's four corporate goals and its values, and seeks to move the School from outstanding to world class. There are ten objectives;

- Effective tracking and intervention by Departments, Faculties and Year Teams to enable students to achieve exceptionally well
- To develop staff leadership at all levels
- To provide students with a range of opportunities to develop their leadership skills and reward those who do so
- To develop and embed our vision for world class learning
- To encourage growth mindsets, improving resilience and well-being
- To create an improved system to monitor and reward positive behaviour and achievement
- To embed a culture of action research that informs best practice across the School
- To plan for curriculum and accountability change in Key Stage 4 and in the Sixth Form
- To improve scientific, mathematical, technological and cultural literacy through international links and e-learning opportunities
- To raise reading levels and develop literacy across the School

Funds Held as Custodian Trustee on Behalf of Others

The academy trust does not hold any funds as custodian trustee.

Auditor

Insofar 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 auditors are aware of that information.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 24th November 2015 and signed on its behalf by:


.....
Mr M Hewitt

Chairman

DARRICK WOOD SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to Mrs B Rhymaun, and, from April 2015, Dr M Airey, as Accounting Officers for ensuring financial controls conform with the requirement of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Darrick Wood School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governors	Meetings attended	Out of possible
Dr M Airey	1	1
Ms L-A Avis	2	3
Mr P Cook	3	3
Mr A Duckworth	2	3
Mr J Goatcher (Chairman of Finance Committee)	3	3
Mr M Green	3	3
Mr W Harris	3	3
Mrs J Hewitt	3	3
Mr M Hewitt (Chairman)	3	3
Mr C Hitchins	2	3
Mr M King	1	3
Mrs K Morris	3	3
Mr I Park	0	3
Mrs M Piper-Killick	2	3
Mrs B Rhymaun (Executive Head Teacher)	2	2
Mr T Springett	2	3
Mr A Thompson	1	2
Mr J Tuck	3	3
Mr R Voyce	2	3
Mr D Wilcox (Vice Chairman)	2	3

Stability of membership has continued among the board of trustees. Following Mrs Rhymaun's retirement in April 2015 her place on the board was taken by Dr Airey, her successor as Head Teacher. Mr Thompson resigned from the board having left the Orpington area.

Governance reviews:

Governance remains outstanding (Ofsted 2005 and 2009). The Governing Body established performance indicators for its effectiveness many years ago and evaluates its performance regularly on this basis. The Governing Body's impact is demonstrated by:

- Success in implementation of the School's development plan;
 - Exemplary level of staff and pupil participation in extra-curricular activities;
 - Governors attendance at functions and sub-committee meetings;
 - Securing value for money in the School's expenditure;
 - Regular monitoring of income and expenditure;
 - Examination results significantly above the national average;
 - Exemplary behaviour of pupils;
 - Compliance with legislation.
-

DARRICK WOOD SCHOOL

GOVERNANCE STATEMENT (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

The Governing Body completes an annual evaluation of its activities during the November fall meeting and publishes its review on the School's website to coincide with the publication of this Governors' Report and Audited Accounts.

The Finance Committee is a sub-committee of the main board of governors. Its purpose is to:

- Establish an annual budget
- Monitor expenditure on a monthly basis during term time
- Approve virement in excess of that delegated to the Head Teacher
- Report on a termly basis to the full Governing Body
- Ensure that the Financial Management Standards in schools' are fully met.

The Committee has discussed the very favourable systems reports from the auditors as well as the regular reports from the Responsible Officer. It reviews the School's site and accommodation, the need for improvements and repairs and has commissioned relevant work, securing grants where appropriate and value for money from contractors, monitoring carefully the progress towards completion of projects to the required standard. The accounts of the Sports Centre are also kept under review. There has been no change in the composition of the Committee other than in the role of Head Teacher.

Attendance at meetings during the year was as follows:

Governors	Meetings attended	Out of possible
Mr J Goatcher (Chair of Committee)	8	9
Dr M Airey	4	4
Mr P Cook	7	7
Mrs J Hewitt	2	9
Mr M Hewitt	6	9
Mr M King	3	9
Mrs B Rhymaun	5	5
Mr D Wilcox	8	9

The Audit Committee is a sub-committee of the main board of governors. Its purpose is to:

Independently check financial systems, controls, transactions and risks.

Specifically to provide assurance over:

- Safeguarding of assets
- Delivery of value for money
- Risks of financial malpractice
- Risks of inappropriate use of funds.

The Audit Committee was only formally established in June 2015. It did not therefore meet during 2014-15. However, its functions were carried out by the Finance Committee throughout the year.

Review of Value for Money

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

The accounting officer considers how the 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:

Ofsted judged achievement and standards of pupils at the School as outstanding in 2009. This position has been maintained and progress checks on current pupils in Years 11 and 13 predict results to be amongst the School's best. The 2015 GCSE results remain very significantly above the national average and the Advanced Level results were the second highest in the School's history. In addition, outstanding School attendance (96%), only one permanent

DARRICK WOOD SCHOOL

GOVERNANCE STATEMENT (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

pupil exclusion, and only 5 temporary exclusions offer further evidence of value for money. The School Development Plan and a focus on the achievement of individual pupils has led to improvements.

Monthly meetings of the Governors' Finance Committee illustrate continuous financial monitoring and timely reporting and the positive reports received from both auditors and the independent Responsible Officer demonstrate sound internal spending controls, and financial records are both accurate and up-to-date. In spite of very substantial cuts from Government funding, the School has maintained a positive balance in its budget. Improved value for money has been secured through the School's success in securing grants, competitive tendering and from substantial discounts in the acquisition of goods and services. Provision of support at other schools and through our Teaching School status has offered valuable professional development for our members of staff and also generated income for Darrick Wood. We secured a grant of £497,000 to install a replacement roof for the Turner Building including effective insulation to reduce future heating costs. A grant of £40,000 was also secured from the Wolfson Foundation for the purchase of tablet computers, facilitating innovation in pupils' learning. On all occasions the School follows the Governors value for money policy (established in 2007) meticulously.

All surplus cash balances are invested in interest bearing accounts to maximise income generation. The EFA administration of the Academies Capital Maintenance Fund makes it difficult to plan for capital works.

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 Darrick Wood School for the period 1st September 2014 to 31st 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 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 ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mr T Gaston, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a regular basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

DARRICK WOOD SCHOOL

GOVERNANCE STATEMENT (Continued)

FOR THE YEAR ENDED 31 AUGUST 2015

The Responsible Officer visited 5 times during the year.

Checks carried out included

- Check 1 testing of payroll, payments, income, bank reconciliations and assets of 4 departments in comparison with the asset register.
- Check 2 testing of payroll, payments, income, bank reconciliations and the assets of 3 departments in comparison with the asset register.
- Check 3 testing of payroll, payments, income, bank reconciliations and the assets of 1 faculty in comparison with the asset register.
- Check 4 testing of payroll, payments, income, bank reconciliations and assets of 3 departments in comparison with the asset register.
- Check 5 testing of payroll and purchasing systems, income received and bank reconciliations.

The Governing Body is satisfied that the RO function has been fully delivered in accordance with the programme of agreed checks. No material control issues have been notified to Governors as a result of the RO's work.

Review of effectiveness

As Accounting Officers Mrs B Rhymaun and subsequently Dr M Airey had responsibility for reviewing the effectiveness of the system of internal control. During the period ended 31 August 2015 the review has been informed by:

- The work of the Responsible Officer;
- The work of the External Auditor;
- The financial management and governance self-assessment process and the School's best value policy;
- 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 Officers advised the Finance Committee of the implications of the result of their reviews of the system of internal control. A plan to address minor weaknesses identified and ensure continuous improvement of the system has been implemented.

Approved by order of the Board of Governors on 24th November 2015 and signed on its behalf by:



Mr M Hewitt
Chairman



Dr M Airey
Head Teacher

DARRICK WOOD SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Darrick Wood School I have considered my responsibility to notify the academy trust Board of Governors and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State 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 24 November 2015 and signed by:



Dr M Airey
Accounting Officer

DARRICK WOOD SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees for Darrick Wood School and are also the directors of Darrick Wood School 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 (EFA), 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 24 November 2015 and signed on its behalf by:



Mr M Hewitt
Chairman

DARRICK WOOD SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DARRICK WOOD SCHOOL

We have audited the accounts of Darrick Wood School for the year ended 31 August 2015 set out on pages 20 to 42. 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 (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 15, the Governors, who are also the directors of Darrick Wood School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the 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 including the incorporated Strategic Report for the financial year for which the accounts are prepared is consistent with the accounts.

DARRICK WOOD SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DARRICK WOOD SCHOOL

Matters on which we are required to report by exception

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

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

David John Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Baxter & Co

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 4 December 2015

DARRICK WOOD SCHOOL

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

In accordance with the terms of our engagement letter dated 01 November 2012 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 Darrick Wood School during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Darrick Wood School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Darrick Wood School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Darrick Wood School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Darrick Wood School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Darrick Wood School's funding agreement with the Secretary of State for Education dated 30 November 2010 (as varied by deed on 15 January 2013) and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.7 of the Academies Financial Handbook 2014, issued by the EFA.

DARRICK WOOD SCHOOL

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

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 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.

Baxter & Co
Chartered Certified Accountants
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 4 December 2015

DARRICK WOOD SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £'000	Restricted funds £'000	Fixed Asset funds £'000	Total 2015 £'000	Total 2014 £'000
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	68	383	-	451	396
- Activities for generating funds	3	91	-	-	91	-
- Investment income	4	1	-	-	1	2
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	1	9,080	530	9,611	9,896
Total incoming resources		161	9,463	530	10,154	10,294
Resources expended						
<i>Costs of generating funds</i>						
- Relating to voluntary income	6	-	371	-	371	357
- Fundraising trading	6	43	-	-	43	-
<i>Charitable activities</i>						
- Educational operations	7	99	9,541	624	10,264	9,766
Governance costs	8	-	26	-	26	32
Total resources expended	6	142	9,938	624	10,704	10,155
Net incoming/(outgoing) resources before transfers		19	(475)	(94)	(550)	139
Gross transfers between funds		(117)	490	(373)	-	-
Net income/(expenditure) for the year		(98)	15	(467)	(550)	139
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(123)	-	(123)	336
Net movement in funds		(98)	(108)	(467)	(673)	475
Fund balances at 1 September 2014		343	(643)	11,572	11,272	10,797
Fund balances at 31 August 2015		245	(751)	11,105	10,599	11,272

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.

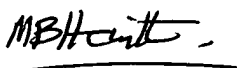
DARRICK WOOD SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2015

		2015	2014
	Notes	£'000	£'000
Fixed assets			
Tangible assets	11	11,105	11,572
Current assets			
Debtors	12	334	452
Cash at bank and in hand		704	712
		1,038	1,164
Current liabilities			
Creditors: amounts falling due within one year	13	(575)	(634)
Net current assets		463	530
Total assets less current liabilities		11,568	12,102
Creditors: amounts falling due after more than one year	14	(30)	-
Net assets excluding pension liability		11,538	12,102
Defined benefit pension liability	18	(939)	(830)
Net assets		10,599	11,272
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		11,105	11,572
- General funds		188	187
- Pension reserve		(939)	(830)
Total restricted funds		10,354	10,929
Unrestricted income funds	16	245	343
Total funds		10,599	11,272

The accounts were approved by order of the Board of Governors and authorised for issue on 24 November 2015.



Mr M Hewitt
Chairman

Company Number 07393519

DARRICK WOOD SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £'000	2014 £'000
Net cash inflow/(outflow) from operating activities	19	(413)	653
Returns on investments and servicing of finance			
Investment income	1	2	
Net cash inflow/(outflow) from returns on investments and servicing of finance		1	2
		(412)	655
Capital expenditure and financial investments			
Capital grants received	530	33	
Payments to acquire tangible fixed assets	(158)	(956)	
Net cash flow from capital activities		372	(923)
Net cash inflow/(outflow) before financing		(40)	(268)
Financing			
Repayment of long term bank loan	32	-	
Net cash inflow/(outflow) from funding		32	-
Increase/(decrease) in cash	20	(8)	(268)

DARRICK WOOD SCHOOL

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

1.3 Incoming resources

All incoming resources are recognised when the 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.

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 accounting policies.

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

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 £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) 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.

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:

Freehold land is not depreciated

Freehold buildings	2% Straight Line
ICT / Computer equipment	50% Straight Line
Fixtures, fittings & equipment	15% Straight Line
Motor vehicles	20% Straight Line

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below:

Land

Where land is owned (or occupied under the terms of a long term lease), subject to a legally binding restriction as to its use, it is valued at a nominal value of £1, reflecting those restrictions.

Buildings

In accordance with the requirements of FRS 15, specialist buildings transferred from the predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

Other Fixed Assets

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set).

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

1.6 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 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.

1.8 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.

Teachers' Pension Scheme

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 18, 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.

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

Local Government Pension Scheme

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.

1.9 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 Education Funding Agency/Department for Education/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder / donor and include grants from the Education Funding Agency/Department for Education and other donors.

1.10 Agency arrangements

The academy trust acts as agent in distributing 16-19 bursary funds from EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid, and any balances held are disclosed in note 25. The trust also acts as an agent in holding and distributing funds on behalf of NCTL.

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Voluntary Fund	-	383	383	363
Other income	68	-	68	33
	<u>68</u>	<u>383</u>	<u>451</u>	<u>396</u>

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of Facilities	91	-	91	-

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Short term deposits	1	-	1	2

5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
DfE / EFA grants				
General annual grant (GAG)	-	8,407	8,407	8,654
Capital grants	-	530	530	33
Other DfE / EFA grants	-	290	290	588
	-	9,227	9,227	9,275
Other government grants				
Local authority grants	-	142	142	172
Other grants	-	63	63	82
	-	205	205	254
Other funds				
Other incoming resources	1	178	179	367
Total funding	1	9,610	9,611	9,896

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2015 £'000	Total 2014 £'000
Academy's educational operations					
- Direct costs	6,263	500	702	7,465	7,484
- Allocated support costs	1,140	949	710	2,799	2,282
	<u>7,403</u>	<u>1,449</u>	<u>1,412</u>	<u>10,264</u>	<u>9,766</u>
Other expenditure					
Costs of generating voluntary income	-	-	371	371	357
Costs of activities for generating funds	33	-	10	43	-
Governance costs	-	-	26	26	32
	<u>33</u>	<u>-</u>	<u>407</u>	<u>440</u>	<u>389</u>
Total expenditure	<u>7,436</u>	<u>1,449</u>	<u>1,819</u>	<u>10,704</u>	<u>10,155</u>

Incoming/outgoing resources for the year include:

	2015 £'000	2014 £'000
Fees payable to auditor		
- Audit	7	7
- Other services	6	9

Included within resources expended are the following transactions.

	2015 £
Gifts made by the trust - total	<u>319</u>

Clarification - While the majority of disclosures in these accounts are rounded to £'000, disclosure of gifts made is not. The value of gifts made for the year was £319 (and not £319k).

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Direct costs				
Teaching and educational support staff costs	54	6,209	6,263	6,022
Depreciation	-	500	500	441
Technology costs	-	30	30	5
Educational supplies and services	2	423	425	412
Examination fees	-	200	200	175
Staff development	-	47	47	61
Other direct costs	-	-	-	368
	<u>56</u>	<u>7,409</u>	<u>7,465</u>	<u>7,484</u>
Allocated support costs				
Support staff costs	-	1,140	1,140	1,158
Depreciation	-	124	124	109
Recruitment and support	3	(1)	2	25
Maintenance of premises and equipment	26	799	825	210
Cleaning	-	162	162	159
Energy costs	6	132	138	134
Rent and rates	1	75	76	77
Insurance	-	53	53	60
Catering	-	67	67	68
Interest and finance costs	-	(11)	(11)	30
Other support costs	7	216	223	252
	<u>43</u>	<u>2,756</u>	<u>2,799</u>	<u>2,282</u>
Total costs	<u>99</u>	<u>10,165</u>	<u>10,264</u>	<u>9,766</u>

8 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Legal and professional fees	-	12	12	15
Auditor's remuneration				
- Audit of financial statements	-	7	7	7
- Other non audit costs	-	6	6	9
Support staff costs	-	1	1	1
	<u>-</u>	<u>26</u>	<u>26</u>	<u>32</u>

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015 £'000	2014 £'000
Wages and salaries	5,990	5,858
Social security costs	462	455
Other pension costs	911	821
	<u>7,363</u>	<u>7,134</u>
Supply teacher costs	73	46
	<u>7,436</u>	<u>7,180</u>

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	108	106
Administration and support	71	70
Management	10	9
	<u>189</u>	<u>185</u>

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

	2015 Number	2014 Number
£60,000 - £70,000	2	-
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£110,001 - £120,000	-	-
£150,001 - £160,000	1	1
	<u>5</u>	<u>3</u>

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	4	2
	£'000	<u>39</u>	<u>20</u>
Local Government Pension Scheme	Numbers	-	-
	£'000	<u>-</u>	<u>-</u>

DARRICK WOOD SCHOOL

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 Head Teacher and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher 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:

B Rhymaun (Executive Head Teacher):- Resigned on 12 April 2015

- Remuneration to 12 April 2015; £110,000 - £115,000 (2014: £150,000 - £155,000)
- Employer's pension contributions £nil (2014: £nil)

M Airey (Head Teacher):- Appointed on 13 April 2015

- Remuneration from 13 April 2015; £30,000 - £35,000 (2014: N/a - not appointed in 2014)
- Employer's pension contributions £0 - £5,000 (2014: N/a)

J Tuck (Staff Governor):

- Remuneration £50,000 - £55,000 (2014: £50,000 - £55,000)
- Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

D Morrell (Staff Governor):

- Remuneration: N/a - not appointed as a Governor in 2015 (2014: £45,000 - £50,000)
- Employer's pension contributions N/a (2014: £5,000 - £10,000)

W Harris (Staff Governor):

- Remuneration £20,000 - £25,000 (2014: £15,000 - £20,000)
- Employer's pension contributions £0- £5,000 (2014: £0 - £5,000)

P Cook (Staff Governor):

- Remuneration £45,000 - £50,000 (2014: N/a - not appointed as a Governor in 2014)
- Employer's pension contributions £5,000- £10,000 (2014: N/a)

During the year, expenses totalling £696 (2014: £1,993) were reimbursed or paid directly to 5 Governors (2014: 3 Governors).

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

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 and the cost for the year ended 31 August 2015 was £2,445 (2014: £2,444). The cost of this insurance is included in the total insurance cost.

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Freehold land and buildings £'000	ICT / Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2014	13,374	108	81	54	13,617
Additions	-	138	20	-	158
At 31 August 2015	13,374	246	101	54	13,775
Depreciation					
At 1 September 2014	1,888	76	37	45	2,046
Charge for the year	494	101	20	9	624
At 31 August 2015	2,382	177	57	54	2,670
Net book value					
At 31 August 2015	10,992	69	44	-	11,105
At 31 August 2014	11,486	32	44	10	11,572

12 Debtors

	2015 £'000	2014 £'000
Trade debtors	9	12
VAT recoverable	132	59
Other debtors	88	313
Prepayments and accrued income	105	68
	<u>334</u>	<u>452</u>

13 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Government loans	2	-
Trade creditors	118	59
Accruals	311	371
Deferred income	144	204
	<u>575</u>	<u>634</u>

14 Creditors: amounts falling due after more than one year

	2015 £'000	2014 £'000
Government loans	<u>30</u>	<u>-</u>

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14	Creditors: amounts falling due after more than one year	2015	2014
	Analysis of loans		
	Not wholly repayable within five years by instalments	10	-
	Wholly repayable within five years	22	-
		<u>32</u>	<u>-</u>
	Less: included in current liabilities	(2)	-
		<u>30</u>	<u>-</u>
	Amounts included above	30	-
		<u>10</u>	<u>-</u>
	Instalments not due within five years	10	-
		<u>30</u>	<u>-</u>
	Loan maturity		
	Debt due in one year or less	2	-
	In more than one year but not more than two years	2	-
	In more than two years but not more than five years	12	-
	In more than five years	14	-
		<u>30</u>	<u>-</u>
	The loan above is a DfE approved interest free Salix loan repayable over eight years.		
15	Deferred income	2015	2014
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	144	204
		<u>144</u>	<u>204</u>
	Total deferred income at 1 September 2014	204	172
	Amounts credited to the statement of financial activities	(204)	(172)
	Amounts deferred in the year	144	204
		<u>144</u>	<u>204</u>
	Total deferred income at 31 August 2015	144	204

Deferred income relates to trips and activities £102k, capital grant £20k, EFA bursary grant £12k, GAG rates £7k and other income £3k.

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2015 £'000
Restricted general funds					
General Annual Grant	-	8,407	(8,407)	-	-
Other DfE / EFA grants	13	290	(817)	530	16
Other government grants	17	205	(204)	-	18
Other restricted funds	157	561	(524)	(40)	154
	<u>187</u>	<u>9,463</u>	<u>(9,952)</u>	<u>490</u>	<u>188</u>
Funds excluding pensions	(830)	-	14	(123)	(939)
	<u>(643)</u>	<u>9,463</u>	<u>(9,938)</u>	<u>367</u>	<u>(751)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	530	-	(530)	-
Inherited fixed asset fund	9,951	-	(463)	-	9,488
Capital expenditure from GAG or other funds	1,621	-	(161)	157	1,617
	<u>11,572</u>	<u>530</u>	<u>(624)</u>	<u>(373)</u>	<u>11,105</u>
Total restricted funds	<u>10,929</u>	<u>9,993</u>	<u>(10,562)</u>	<u>(6)</u>	<u>10,354</u>
Unrestricted funds					
General funds	343	161	(142)	(117)	245
	<u>343</u>	<u>161</u>	<u>(142)</u>	<u>(117)</u>	<u>245</u>
Total funds	<u>11,272</u>	<u>10,154</u>	<u>(10,704)</u>	<u>(123)</u>	<u>10,599</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

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

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets £11,105 (2014: £11,572k) plus the unspent element of Capital funds £nil (2014: £nil). When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	11,105	11,105
Current assets	850	188	-	1,038
Creditors falling due within one year	(575)	-	-	(575)
Creditors falling due after one year	(30)	-	-	(30)
Defined benefit pension liability	-	(939)	-	(939)
	<u>245</u>	<u>(751)</u>	<u>11,105</u>	<u>10,599</u>

18 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 the London Borough of Bromley. 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 £29k (2014: £nil) 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.

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

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 £646k (2014: £591k).

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 24.3% for employers and between 5.5% and 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £268k.

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 £'000	2014 £'000
Employer's contributions	268	231
Employees' contributions	66	58
Total contributions	334	289
Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.80	3.70
Rate of increase for pensions in payment	2.30	2.20
Discount rate for scheme liabilities	4.00	4.00
CPI increases	2.30	2.20

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

Sensitivity Analysis

Scheme liabilities have been valued at £3,122k (2014: £2,615k). The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate used were to increase by 0.1%, liabilities would be measured at £3,054k (2014: £2,558k)

If the inflation rate used were to increase by 0.1%, liabilities would be measured at £3,190k (2014: £2,672k)

If the life expectancy were to increase by 1 year, liabilities would be measured at £3,176k (2014: £2,660k)

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

	2015 Years	2014 Years
Retiring today		
- Males	23.1	23.0
- Females	25.5	25.4
Retiring in 20 years		
- Males	25.4	25.3
- Females	28.4	28.3

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

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 £'000	2014 Expected return	2014 Fair value £'000
Equities	6.50	1,594	7.00	1,277
Bonds	3.60	349	3.80	298
Other assets	3.50	240	3.75	210
Total market value of assets		2,183		1,785
Present value of scheme liabilities - funded		(3,122)		(2,615)
Net pension asset / (liability)		(939)		(830)

Assumption on Expected Rates of Return

The expected return on assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation.

The assumed investment return on government bonds is the yield on 20 year fixed interest gilts at the relevant date (2.5%). The expected investment return on corporate bonds is based on market yields at the relevant date, less a reduction to reflect a risk of default in the corporate bond yield (3.6% p.a).

The yield on equity investments will contain an "equity risk premium" in addition to the yield on government bonds, the overall expected return on equities as at 31 August 2015 was 6.5% p.a.

Assumed returns on property are based on the expected long term returns on cash investments, plus a premium.

The actual return on fund assets during the year was £64k (2014: £151k).

Amounts recognised in the statement of financial activities

	2015 £'000	2014 £'000
Operating costs/(income)		
Current service cost (net of employee contributions)	265	230
Past service cost	-	-
Total operating charge	265	230
Finance costs/(income)		
Expected return on pension scheme assets	(122)	(91)
Interest on pension liabilities	111	121
Net finance costs/(income)	(11)	30
Total charge/(income)	254	260

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

Actuarial gains and losses recognised in the statement of financial activities

	2015 £'000	2014 £'000
Actuarial (gains)/losses on assets: actual return less expected	57	(57)
Experience (gains)/losses on liabilities	-	(246)
(Gains)/losses arising from changes in assumptions	66	(33)
Total (gains)/losses	<u>123</u>	<u>(336)</u>
Cumulative (gains)/losses to date	<u>(40)</u>	<u>(163)</u>

Movements in the present value of defined benefit obligations

	2015 £'000	2014 £'000
Obligations at 1 September 2014	(2,615)	(2,486)
Current service cost	(265)	(230)
Interest cost	(111)	(121)
Contributions by employees	(66)	(58)
Actuarial gains/(losses)	(66)	279
Benefits paid	1	1
At 31 August 2015	<u>(3,122)</u>	<u>(2,615)</u>

Movements in the fair value of scheme assets

	2015 £'000	2014 £'000
Assets at 1 September 2014	1,785	1,349
Expected return on assets	122	91
Actuarial gains/(losses)	(57)	57
Contributions by employers	268	231
Contributions by employees	66	58
Benefits paid	(1)	(1)
At 31 August 2015	<u>2,183</u>	<u>1,785</u>

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

History of experience gains and losses

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligations	(3,122)	(2,615)	(2,486)	(2,163)	(1,427)
Fair value of share of scheme assets	2,183	1,785	1,349	895	570
Surplus / (deficit)	<u>(939)</u>	<u>(830)</u>	<u>(1,137)</u>	<u>(1,268)</u>	<u>(857)</u>
Experience adjustment on scheme assets	(57)	57	141	30	(10)
Experience adjustment on scheme liabilities	<u>-</u>	<u>246</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	2015 £'000	2014 £'000
Net income	(550)	139
Capital grants and similar income	(530)	(33)
Investment income	(1)	(2)
Defined benefit pension costs less contributions payable	(3)	(1)
Defined benefit pension finance costs/(income)	(11)	30
Depreciation of tangible fixed assets	624	550
(Increase)/decrease in debtors	118	(229)
Increase/(decrease) in creditors	(60)	199
Net cash inflow/(outflow) from operating activities	<u>(413)</u>	<u>653</u>

20 Reconciliation of net cash flow to movement in net funds

	2015 £'000	2014 £'000
Increase/(decrease) in cash	(8)	(268)
Local authority loans	(32)	-
Net funds at 1 September 2014	712	980
Net funds at 31 August 2015	<u>672</u>	<u>712</u>

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

21 Analysis of net funds

	At 1 September 2014 £'000	Cash flows £'000	Non-cash changes £'000	At 31 August 2015 £'000
Cash at bank and in hand	712	(8)	-	704
Debt due within one year	-	(32)	30	(2)
Debt due after one year	-	-	(30)	(30)
	-	(32)	-	(32)
Net balances	712	(40)	-	672

22 Capital commitments

	2015 £'000	2014 £'000
At 31 August 2015 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	13	-

During the year the academy commenced a roofing project with total anticipated costs of £541k. Costs of £528k were incurred during the year leaving a balance of £13k at 31 August 2015 being the anticipated costs to completion.

23 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 Governors have 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 the company purchased equipment to the value of £1,678 (2014:£36,136) from CDEC Ltd. CDEC Ltd is a related party by virtue of the fact that Mr A Duckworth, a governor is a director of that company. At the year end a balance of £nil (2014:£2,967) was outstanding, included in creditors due within one year.

In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

24 Members' liability

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

DARRICK WOOD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £20,689 and disbursed £8,105 from the fund and applied £1,034 towards the academy's administration costs. An amount of £11,550 is included within creditors: amounts falling due in less than one year relating to undistributed funds.

The academy also acts as an agent for the NCTL distributing funds on its behalf. During the year the academy received £437,200 and disbursed this in full on behalf of the fund.