

**NEWTON ABBOT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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**NEWTON ABBOT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Trustees and members** P Cornish, Principal (appointed 1 September 2014)  
S Joint, Chair

**Trustees** M North  
W Davies, Staff Trustee  
D Back  
N Child (resigned 2 December 2014)  
J Dunn (appointed 16 March 2015)  
G Hobbs, Staff Trustee  
N Johnson (resigned 3 December 2014)  
M Lamacraft (resigned 11 January 2015)  
K Mackle  
C Robinson  
P Rudling (appointed 20 March 2015)  
D Sleeman (resigned 20 May 2015)  
D Tupman (appointed 20 March 2015)

**Company registered number** 07717015

**Principal and Registered office** Old Exeter Road  
Newton Abbot  
Devon  
TQ12 2NF

**Company secretary** R Bellas

**Principal** P Cornish

**Senior management team** Mr S Beyer, to 12 April 2015  
B Brook, to 12 April 2015  
N Hill, from 20 April 2015  
D Evans  
A McDermott  
L Ring  
S Kocur  
L Ransom  
K West  
A Shilan, to 31 August 2015

**Independent auditors** Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
50 The Terrace  
Torquay  
Devon  
TQ1 1DD

**NEWTON ABBOT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2015**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 19 in Newton Abbot. It had a roll of 1,047 in the school census on 1 October 2014.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy.

The Trustees of Newton Abbot Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

**Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the 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 they cease to be a member.

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the academy. The limit of this indemnity is £10,000,000.

**TRUSTEES**

**Method of recruitment and appointment or election of Trustees**

On 1st August 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re election or replacement process.

The Academy's Governing Body comprises the Principal, a minimum of 2 Parent Trustees, 2 Staff Trustees (providing that the total number of Trustees, including the Principal, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and other Trustees. The number of Trustees shall not be less than three but is not subject to any maximum.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 7 Trustees who are appointed by members.
- up to 7 Parent Trustees who are elected by parents of registered students at the College.
- up to 2 staff Trustees appointed by the Governing Body.
- up to 3 Co opted Trustees who are appointed by the Governing Body.
- the Principal, who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected.

**NEWTON ABBOT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**Policies and Procedures adopted for the Induction and Training of Trustees**

The Academy operates a system of providing new Trustees with an Induction Pack and a set procedure is followed for their appointment. Recruitment is also often an agenda item on Full Governing Body meetings.

The training and induction provided for new Trustees will depend upon their existing experience and follows a tailored Trustee induction programme including a tour of the Academy. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Further training is available to all Trustees including specific courses offered by the Local Authority and other bodies.

**Organisational Structure**

The Board of Trustees meets 10 or 11 times a year. At its first meeting each year the Board establishes an overall framework for the governance of the Academy and determines its terms of reference. It monitors the activities of the Committees either through the minutes of their meetings or by a report fed back to the full Board. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are two permanent committees as follows;

**i) Finance Committee**

**ii) Audit and budget scrutiny functions**

The following committees meet, as required;

**Discipline Committee**

Meets - As required.

Purpose - Where the Principal has decided to institute a permanent exclusion, to consider whether the student should be reinstated immediately, reinstated by a particular date, or not reinstated, irrespective of any representation from the parents and to work within any time scale laid down in DFE regulations. To hear any representations from parents about a fixed term exclusion under 5 college days.

**First Committee**

Meets - As required.

Purpose - To consider such staff disciplinary cases as may be referred to the committee by the Principal or as members of the committee may decide according to the College's Disciplinary and Capability Procedures.

The following committees are constituted as and when required;

**Principal's Performance Review Committee**

Purpose - To meet with the Principal and the School Improvement Partner (or other such external body appointed by the Governing Body) in the Autumn Term, convening sufficient meetings to discharge their responsibilities of monitoring the Principal's performance.

**Pay Committee**

Purpose - To meet in the Autumn term each year to review the salaries of the Leadership team.

**Appeals Committees**

The Governing Body is required to set up a number of Appeal Committees including admissions, permanent exclusions, first committee, Pay, Curriculum Complaints, Special Educational Needs provision and any other matters as required.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Principal and Clerk to the Trustees, to approve the Annual Improvement Plan and budget.

The Trustees are responsible for setting strategic policy, adopting an annual improvement plan and budget, approving the statutory accounts, monitoring the performance of the Academy and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Principal and College Leadership Team (CLT). The CLT comprises the Principal, Assistant Principals and the Business Manager. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Principal is the Accounting Officer.

**Connected Organisations, including Related Party Relationships**

The Academy has preferential user rights of Newton Abbot Leisure Centre (owned by Teignbridge District Council) for the overwhelming majority of its indoor sporting activities. These rights, along with the related operating procedures and charging levels, are enshrined within a shared use agreement, reviewed and signed by both parties in June 2012.

The Academy with a multi-Academy trust, comprising two local secondary schools and two primary schools, jointly owns Teignbridge Skill Centre company, which runs a small vocational training centre (two vocational areas) in Newton Abbot town centre: the Brunel Skills Centre. The Principals of the three secondary schools and Chairs of Trustees of the two Academies are directors of this company. The building and land are leased from Devon County Council.

The Academy has strong links with local feeder primary schools which it is maintaining despite the disbanding of the Learning Community.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum for students of all abilities and backgrounds.

The strategic intent of the Academy is to be outstanding in everything it does. The Academy aims to be an outcome focused, student centred learning organisation which enables students to attain high educational standards and to be fully engaged in all their learning. The development of outstanding teaching and outstanding leadership & management are central to the delivery these aims.

The Academy has a highly inclusive ethos, based upon the belief that all children are capable of achieving excellence, defined as continually striving to achieve one's personal best. It expects outstanding attendance and behaviour as these are fundamental to outstanding progress.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Objectives, Strategies and Activities**

Annually, the Academy Improvement Plan is reviewed.

During the year ended 31 August 2015, the specific objectives delivering the Academy's aims were maintained as follows:

- To ensure Consistently Excellent Teaching across the whole College
- To plan great lessons, deliver great lessons and deliver high quality feedback
- To Increase the proportion of A and A\* grades
- To close the achievement gap for pupils
- To share excellent practice
- To improve the whole College reading, writing, communication and mathematics
- To raise the achievement in science
- To develop student leadership
- To develop collegiate middle leadership
- To broaden and improve the curriculum
- To improve parental communication and engagement
- To develop formal collaboration
- To improve Governance
- To improve the efficiency of the Support Services function through the development and ongoing management of a Support Services Business Improvement plan

The Academy learning outputs for the year ending 31 August 2015 were as follows:

- 56% of students achieved 5+ A\* C grades (including English and Maths) at GCSE; 60.4% achieved 5 or more A\* C grades
- 69% of students achieved expected progress in English and 69% achieved expected progress in Maths
- A Level pass rate was 96%, with 47% of all grades at A\* B
- A level A\*/A pass rate was 31%
- The total A level point score per student was 758
- The AS pass rate was 77%.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

The Academy works collaboratively with the other two secondary Academies in the Greater Newton Abbot area to provide post 16 education and training for all young people in this area, irrespective of their previous educational or other background.

The Academy works collaboratively with the other two secondary Academies in the Greater Newton Abbot area (and with a range of other schools locally) to provide "second chance" educational opportunities to children at risk of permanent exclusion or permanently excluded, through managed moves, "stepping stones" and other related programmes.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**STRATEGIC REPORT**

**Key Performance Indicators**

The key financial performance indicators are:

- Roll projections - The level of current and forecast admissions from Primary schools and into the sixth form.
- The level of actual income and expenditure against that planned.
- The forecast end of year surplus against that planned.

Our year 7 intake for September 2014 was 171. This year the College suffered from a low year of available children to enter into Year 7, with 159 joining in September 2015.

Sixth form roll for September 2014 was 226, a reduction from the previous year mainly due to a decrease in the number of vocational students on roll. The outlook for Post 16 recruitment remains volatile with increasing competition locally.

With the completion of the College's campus improvement programme and in recognition of the reduction in funding in 2014-15 due to reduced post-16 rolls in 2013-14 Governors decided during the year to make savings where prudent to improve further the College's reserves. These savings resulted in a significantly improved year end position, the overall in-year surplus was £357,156 greater than that originally budgeted.

**Going Concern**

After making appropriate enquiries, the board of trustees 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 financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy.

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2015, total expenditure of £5,742,107 was offset by recurrent and capital grant funding from the DfE, together with other incoming resources of £5,749,663. The excess of income over expenditure for the period resulted in a surplus of £7,556 before the actuarial adjustments on the pension scheme of £26,000. The surplus before actuarial adjustments is represented by a surplus on unrestricted of £85,440 and on restricted fixed asset funds of £68,812, plus a deficit on restricted funds of £146,696.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of Trustees, the Principal, Business Manager, budget holders and other staff, as well as delegated authority levels.

The Governing Body, have instructed the academy's external auditors to undertake an additional programme of checks on financial systems, records and management information. The Governing Body has received reports from the external auditors which contained no matters of significance.



**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Reserves Policy**

The College plans to spend the majority of its revenue income each year on the students in its care, sums are set aside from this each year for planned replacement of capital items such as ICT and infrastructure. The amount that can be carried forward from the General Annual Grant is no longer subject to restriction in the College's funding agreement.

Unrestricted funds allow greater flexibility to meet the future needs of the College and these will be maximised within the agreed reserve levels. The level of free reserves at year end was £631,358. The level of reserves will be kept under review by the Resources committee and reflect the assessment of the predominant risks to the College. Having met the target level of free reserves, £400,000 of these free reserves have been designated by Trustees to enable the further development of the College's curriculum. This incorporates a programme of building projects over the next two years to enhance teaching and learning facilities. This will include improving provisions for teaching Mathematics, Science, Technology and Performing Arts subjects.

The reserves policy is meant to ensure that the College's core activities can be maintained during a period of unforeseen difficulty. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. This applies particularly to funds earmarked for future capital projects. In year reserves are to cover costs and other commitments and to meet unexpected emergencies such as urgent maintenance. Reserves are also required to protect the ongoing operation of the College whilst the effect of funding changes and competitive increases in capacity locally are managed. Governors deem it prudent to have a target level for GAG reserves of £500,000 including budgeted contingency funds; equating to less than 10% of annual expenditure. The level of GAG reserves at year end was £505,890.

Trustees review the level of reserves held annually and are mindful that the current turbulence in the educational marketplace means that a higher level of reserves may be required as protection against this volatility in the short to medium term.

Trustees recognise that there is a significant pension deficit for the Local Government Pension Scheme (LGPS) fund which is accounted for in the restricted fund, which at year end had a deficit of £1,936,000. However, there is no likelihood that an immediate liability for this amount will crystallise. The deficit position of the pension scheme would generally result in a cash flow effect in the form of an increase in employers' pension contributions over a period of years. The academy trust has revisited its current budget and ascertained how pension costs may affect budgets in the future. On the basis that increased pension contributions will be met from the academy trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust because of recognising the deficit.

**Investment Policy**

The College's strategy is to:

- Regularly monitor current balances to ensure the College has adequate balances to meet short term commitments.
- Identify funds surplus to short term funding requirements and transfer to a Deposit Account, if it bears a meaningfully higher interest rate.
- Periodically (at least annually) review interest rates and compare with other investment opportunities. In the case of earmarked reserves and medium term surplus funds ensure at least an average market return on deposited funds.
- All invested funds will be in no to low risks savings or investments.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

**Financial** - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 96% of the Academy's income was ultimately Government funded. There are known reductions in public expenditure planned by the current government although the impact upon schools for the public expenditure round after the election is as yet, obviously, unknown. The current government plans to introduce a national funding formula for schools, though it is unknown when (and therefore if) this will be introduced. While its impact should be to reduce differences in funding levels which, in theory, should advantage schools in currently low funded areas, there is no certainty of this at this time.

There is therefore no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, especially in the light of an election next year.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. They scrutinise closely all such procedures and undertake regular benchmarking against local and national comparators.

**Reputational** - the continuing success of the Academy is dependent on continuing to attract students in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure: careful selection procedures of highly qualified staff; appropriate staffing structures and accountability frameworks; continued professional development and training of staff; robust and supportive performance management systems; as well as ensuring there is clear talent spotting and succession planning.

**Fraud and mismanagement** - of funds the Audit Committee have instructed the academy's external auditors to undertake an additional programme of checks on financial systems, records and management information to help manage the risk. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has reviewed its Risk Register as part of the risk management process. This has been discussed by Trustees and includes the financial risks to the Academy. The register is constantly reviewed in light of any new information and formally reviewed annually.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**NEWTON ABBOT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**PLANS FOR FUTURE PERIODS**

The Academy has an improvement plan which sets a clear strategic direction within its vision and aims. It will continue to move towards its strategic intent of being outstanding in all it does.

The continual drive to recruit, develop and motivate high calibre staff will be fundamental to the achievement of this strategic intent.

The Academy will seek out best practice locally and nationally, especially through a full and active participation in: the Partners in Excellence network; and the South West Alliance network.

The Academy will provide significant support to its leaders and managers in the embedding of the new staffing structure and performance management systems designed to enable the delivery of its strategic intent and priorities.

The Academy will continue to develop its collaborative working as a means of enabling it to achieve its strategic intent and to ensure the Academy's long term strength.

Following the major improvements to its building stock and physical resources, the Academy will continue to bring all facilities up to the standard of the best, in order that students have access to a physical environment and level of resource appropriate to an outstanding learning community.

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

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

**AUDITORS**

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on 9/12/15 and signed on the board's behalf by:



S Joint  
Trustee

## **GOVERNANCE STATEMENT**

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### **SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Newton Abbot Academy Trust 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 Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 9 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Cornish, Principal	10	10
S Joint, Chair	9	10
M North	8	10
W Davies, Staff Trustee	7	10
D Back	9	10
N Child	2	2
J Dunn	3	4
G Hobbs, Staff Trustee	10	10
N Johnson	0	2
M Lamacraft	1	3
K Mackle	6	10
C Robinson	9	10
P Rudling	4	4
D Sleeman	7	8
D Tupman	3	4

There has been no change to the composition of the Board of Trustees in essence; as vacancies have arisen appropriate appointments have been made.

#### **Governance reviews:**

The Trust underwent bespoke training during the academic year 2014-15 and this included a rigorous self-evaluation of Governance. A further review will therefore not be carried out until 2016-17.

#### **Terms of reference:**

- 1 To delegate day to day human resources management of the College to the Principal and receive from him/her (or delegated staff) regular reports (at least annual) relating to: staff structure, pay/staff cost, recruitment, departures, absences, qualifications, age/gender profiles, grievances or discipline cases, continuing professional development and service quality (NB: any grievance or discipline cases to be reported anonymously).
- 2 To ensure regular review by the Principal of any human resource related policies and practices to ensure continued statutory compliance, fitness for purpose and with due regard to best practice advice from relevant bodies. NB: This includes employment protection, equal opportunity, employee health and safety matters.

**GOVERNANCE STATEMENT (continued)**

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- 3 To ensure regular review by the Principal of the College staffing structure to ensure fitness for purpose, with due regard to statutory requirements and best practice advice from relevant bodies.
- 4 To ensure the operation by the Principal (and delegated staff) of fit for purpose staff recruitment, development, reward and retention systems, with due regard to statutory requirements and best practice advice from relevant bodies.
- 5 To ensure regular review by the Principal (and delegated staff) of the staff related component of the College budget to ensure fitness for purpose, with due regard to external benchmarking data and best practice advice from relevant bodies.
- 6 To ensure the operation by the Principal (and delegated staff) of effective systems to promote the adoption of best working practices and achievement of high performance by all College staff, challenging underperformance where necessary and with due regard to best practice advice from relevant bodies.
- 7 To receive, from the Chair, a report where the Principal has had cause to appoint, suspend or dismiss a staff member where an immediate decision has been required, such action having been reported to the Chair as soon as possible.
- 8 To present its minutes to the Governing Body and to advise the Governing Body on strategy, structures, costs and policies, including the consideration and recommendation of any proposed changes in relation to human resource, financial, premises and health and safety matters.
- 9 To delegate the day-to-day finance management of the College to the Principal.
- 10 To advise the Governing Body on the application of the Grants to the College.
- 11 To advise the Governing Body on financial strategy and policy within the resources available.
- 12 To receive, consider and present to the Governing Body annual estimates of the College budget and the annual end of financial year statements.
- 13 To receive regular reports on the College's income and expenditure showing a comparison of these against the annual budget and to present its minutes to the Governing Body.
- 14 To oversee the distribution of the College funds.
- 15 To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- 16 To prepare the financial statement to form part of the annual report of the governing body and for filing in accordance with Companies Act and Charity Commission requirements.
- 17 To undertake the functions of an Audit Committee
- 18 To receive auditors' reports and to recommend to the governing body action as appropriate in response to audit findings.
- 19 To recommend to the full governing body the appointment or reappointment of the auditors of the College.
- 20 To receive, consider and recommend to the Governing Body actions to be taken on reports from the Responsible Officer.
- 21 To monitor the effectiveness of health and safety management in the College and report to the Governing Body.

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

As accounting officer, the Principal 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 managing closely the administration of the organisation, monitoring the financial records and challenging spending through the use of internal control mechanisms. Robust Governance is carried out through continuous financial planning and monitoring with reporting at timely intervals to ensure public resources are utilised in the most economical way possible.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Newton Abbot Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

The academy'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 board of trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On an annual basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

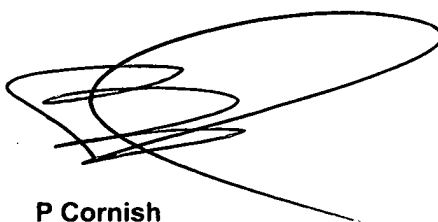
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the board of trustees and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 09/12/15 and signed on its behalf, by:



S Joint  
Trustee



P Cornish  
Accounting Officer

**NEWTON ABBOT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

A handwritten signature in black ink, appearing to be 'P Cornish', written over a horizontal line.

**P Cornish  
Accounting Officer**

Date: 09/12/2015



**NEWTON ABBOT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2015**

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The Trustees (who act as governors of Newton Abbot Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

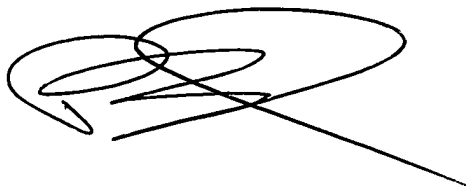
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Trustees 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 grants received from EFA/DfE have been applied for the purposes intended.

The Trustees 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 board of trustees and signed on its behalf by:



**P Cornish  
Trustee**

**Date:** 09 / 12 / 2015

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWTON ABBOT ACADEMY TRUST**

We have audited the financial statements of Newton Abbot Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**NEWTON ABBOT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWTON ABBOT ACADEMY TRUST**

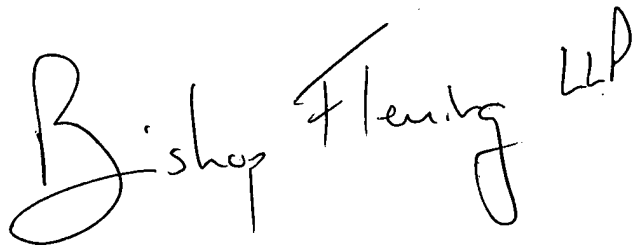
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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

William Hanbury FCA (Senior Statutory Auditor)  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
50 The Terrace  
Torquay  
Devon  
TQ1 1DD  
Date: 15/12/15

A large, stylized handwritten signature in black ink, which appears to read 'Bishop Fleming LLP'.

**NEWTON ABBOT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NEWTON  
ABBOT ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 23 September 2011 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 Newton Abbot Academy Trust during the year 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 Newton Abbot Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Newton Abbot Academy Trust and 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 Newton Abbot Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF NEWTON ABBOT ACADEMY TRUST'S ACCOUNTING OFFICER  
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Newton Abbot Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011, 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 year 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 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**NEWTON ABBOT ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO NEWTON  
ABBOT ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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**CONCLUSION**

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

William Hanbury FCA (Reporting Accountant)

*Bishop Fleming LLP*

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
50 The Terrace  
Torquay  
Devon  
TQ1 1DD

Date: 15/12/15

**NEWTON ABBOT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES**

(incorporating income and expenditure account and statement of total recognised gains and losses)  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds for the year ended 31 August 2015 £	Total funds for the year ended 31 August 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	-	59,680	-	59,680	31,719
Activities for generating funds	3	164,743	-	-	164,743	183,344
Investment income	4	1,599	-	-	1,599	4,244
Incoming resources from charitable activities		13,079	5,203,781	306,781	5,523,641	6,031,833
<b>TOTAL INCOMING RESOURCES</b>		<b>179,421</b>	<b>5,263,461</b>	<b>306,781</b>	<b>5,749,663</b>	<b>6,251,140</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities	6,7	93,981	5,293,710	281,654	5,669,345	5,807,404
Governance costs	8	-	72,762	-	72,762	123,110
<b>TOTAL RESOURCES EXPENDED</b>	9	<b>93,981</b>	<b>5,366,472</b>	<b>281,654</b>	<b>5,742,107</b>	<b>5,930,514</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>85,440</b>	<b>(103,011)</b>	<b>25,127</b>	<b>7,556</b>	<b>320,626</b>
Transfers between Funds	18	-	(43,685)	43,685	-	-
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>85,440</b>	<b>(146,696)</b>	<b>68,812</b>	<b>7,556</b>	<b>320,626</b>
Actuarial gains and losses on defined benefit pension schemes		-	(26,000)	-	(26,000)	(189,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>85,440</b>	<b>(172,696)</b>	<b>68,812</b>	<b>(18,444)</b>	<b>131,626</b>
Total funds at 1 September		545,918	(1,223,309)	9,489,207	8,811,816	8,680,190
<b>TOTAL FUNDS AT 31 AUGUST</b>		<b>631,358</b>	<b>(1,396,005)</b>	<b>9,558,019</b>	<b>8,793,372</b>	<b>8,811,816</b>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 40 form part of these financial statements.

**NEWTON ABBOT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07717015**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>9,452,802</b>		9,566,802
<b>CURRENT ASSETS</b>					
Stocks	15	-		3,451	
Debtors	16	<b>112,296</b>		103,080	
Cash at bank and in hand		<b>1,353,234</b>		1,071,704	
		<b>1,465,530</b>		1,178,235	
<b>CREDITORS:</b> amounts falling due within one year	17	<b>(188,960)</b>		(167,221)	
<b>NET CURRENT ASSETS</b>			<b>1,276,570</b>		1,011,014
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>10,729,372</b>		10,577,816
Defined benefit pension scheme liability	24		<b>(1,936,000)</b>		(1,766,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<b>8,793,372</b>		8,811,816
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
General funds	18	<b>539,995</b>		542,691	
Fixed asset funds	18	<b>9,558,019</b>		9,489,207	
Restricted funds excluding pension liability		<b>10,098,014</b>		10,031,898	
Pension reserve		<b>(1,936,000)</b>		(1,766,000)	
Total restricted funds			<b>8,162,014</b>		8,265,898
Unrestricted funds	18		<b>631,358</b>		545,918
<b>TOTAL FUNDS</b>			<b>8,793,372</b>		8,811,816

The financial statements were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



S Joint  
Trustee

09/12/2015

The notes on pages 23 to 40 form part of these financial statements.

**NEWTON ABBOT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	<b>Note</b>	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
Net cash flow from operating activities	20	<b>478,329</b>	516,029
Returns on investments and servicing of finance	21	<b>1,599</b>	-
Capital expenditure and financial investment	21	<b>(198,398)</b>	(153,323)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>281,530</b>	<b>362,706</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
Increase in cash in the year	<b>281,530</b>	362,706
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>281,530</b>	362,706
Net funds at 1 September 2014	<b>1,071,704</b>	708,998
<b>NET FUNDS AT 31 AUGUST 2015</b>	<b>1,353,234</b>	<b>1,071,704</b>

The notes on pages 23 to 40 form part of these financial statements.



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

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 FUND ACCOUNTING**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

**1.3 INCOMING RESOURCES**

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

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

The value of donated services and gifts in kind provided to the academy are recognised at their open market value 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's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 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 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.

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 GOING CONCERN**

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

The Trustees conclude that it is appropriate to prepare the accounts on the going concern basis for the year ended 31 August 2015.

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised.

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 are 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's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% Straight line
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	25% Straight line
Computer equipment	-	33% Straight line

**1.7 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.8 TAXATION**

The academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 PENSIONS**

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 24, the TPS is a multi-employer scheme and the academy 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 are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the 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 vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**1.10 AGENCY ARRANGEMENTS**

The Academy acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the 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 27.

**NEWTON ABBOT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**2. VOLUNTARY INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds for the year ended 31 August 2015 £	Total funds for the year ended 31 August 2014 £
Donations	-	59,680	59,680	29,267
Grants	-	-	-	2,452
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Voluntary income	<u>-</u>	<u>59,680</u>	<u>59,680</u>	<u>31,719</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds for the year ended 31 August 2015 £	Total funds for the year ended 31 August 2014 £
Lettings	2,988	-	2,988	5,620
Fees received	161,755	-	161,755	177,724
	<u>164,743</u>	<u>-</u>	<u>164,743</u>	<u>183,344</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds for the year ended 31 August 2015 £	Total funds for the year ended 31 August 2014 £
Bank interest	1,599	-	1,599	4,244
	<u>1,599</u>	<u>-</u>	<u>1,599</u>	<u>4,244</u>

**NEWTON ABBOT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds for the year ended 31 August 2015 £	Total funds for the year ended 31 August 2014 £
<b>DfE/EFA grants</b>				
Capital Grants	-	306,781	306,781	98,950
General Annual Grant	-	4,936,164	4,936,164	5,690,948
Other DfE/EFA grants	-	235,036	235,036	218,552
	-	5,477,981	5,477,981	6,008,450
<b>Other government grants</b>				
High Needs	-	32,581	32,581	13,919
	-	32,581	32,581	13,919
<b>Other funding</b>				
Sales to students	6,518	-	6,518	3,313
Other	6,561	-	6,561	6,151
	13,079	-	13,079	9,464
	13,079	5,510,562	5,523,641	6,031,833

**6. DIRECT COSTS**

	Total funds for the year ended 31 August 2015 £	Total funds for the year ended 31 August 2014 £
Pension finance costs	9,000	18,000
Educational supplies	111,764	99,922
Examination fees	249,277	320,413
Staff development	26,613	41,032
Other costs	44,940	51,942
Supply teachers	95,640	99,912
(Profit) / Loss on disposal of fixed assets	-	1,843
Wages and salaries	2,420,979	2,412,881
National insurance	185,210	190,835
Pension cost	365,991	379,735
Depreciation	206,182	216,135
	3,715,596	3,832,650

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**7. SUPPORT COSTS**

	<b>Total funds for the year ended 31 August 2015 £</b>	<b>Total funds for the year ended 31 August 2014 £</b>
Pension finance costs	26,000	34,000
Other costs	65,927	53,400
Recruitment and support	19,228	24,173
Maintenance of premises and equipment	62,832	108,962
Cleaning	18,535	19,230
Rent and rates	64,787	73,369
Energy costs	71,927	72,692
Insurance	43,342	59,754
Security and transport	42,809	42,796
Catering	44,110	42,478
Technology costs	88,409	103,580
Office overheads	70,798	66,671
Legal and professional	179,114	125,637
Bank interest and charges	100	138
Wages and salaries	796,439	828,873
National insurance	45,498	46,020
Pension cost	207,678	161,638
Depreciation	106,216	111,343
	<b>1,953,749</b>	<b>1,974,754</b>

**8. GOVERNANCE COSTS**

	<b>Total funds for the year ended 31 August 2015 £</b>	<b>Total funds for the year ended 31 August 2014 £</b>
Auditors' remuneration	5,500	5,460
Auditors' non audit costs	4,518	21,230
Legal and Professional	5,180	5,140
Other costs	2,051	1,464
Wages and salaries	55,513	89,816
	<b>72,762</b>	<b>123,110</b>

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**9. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure		Total funds for the year ended 31 August	Total funds for the year ended 31 August
	2015	Premises	Other	2015	2014
	£	2015	2015	£	£
Education	2,972,180	206,182	537,234	3,715,596	3,832,650
Support costs - Education	1,049,615	305,762	598,372	1,953,749	1,974,754
<b>CHARITABLE ACTIVITIES</b>	<b>4,021,795</b>	<b>511,944</b>	<b>1,135,606</b>	<b>5,669,345</b>	<b>5,807,404</b>
<b>GOVERNANCE</b>	<b>55,513</b>	<b>-</b>	<b>17,249</b>	<b>72,762</b>	<b>123,110</b>
	<b>4,077,308</b>	<b>511,944</b>	<b>1,152,855</b>	<b>5,742,107</b>	<b>5,930,514</b>

**10. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	312,398	327,477
Auditors' remuneration	5,500	5,460
Auditors' remuneration - non-audit	4,518	21,230
Operating lease expenses	5,868	9,310

**11. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	3,177,291	3,231,658
Social security costs	230,708	236,855
Pension costs (Note 24)	573,669	541,373
	<b>3,981,668</b>	<b>4,009,886</b>
Supply teacher costs	95,640	99,912
	<b>4,077,308</b>	<b>4,109,798</b>

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**11. STAFF (continued)**

**b. Staff numbers**

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	45	46
Administration and support	65	68
Management	10	10
	<hr/>	<hr/>
	120	124
	<hr/>	<hr/>

**c. Higher paid staff**

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0
	<hr/>	<hr/>

Retirement benefits were accruing to 1 employee in the £70,000 - £80,000 emoluments band, in respect of defined contribution pension schemes. The contributions amounted to £10,632.

**12. 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 from the academy in respect of their role as Trustees. The value of Trustees' remuneration and employee's pension contributions for the year was as follows: P Cornish: Remuneration seventy five to eighty thousand pounds (2014: Not a Trustee), Employer's pension contributions ten to fifteen thousand pounds (2014: Not a Trustee); W Davies: Remuneration forty to forty five thousand pounds (2014: thirty five to forty thousand pounds), Employer's pension contributions five to ten thousand pounds (2014: five to ten thousand pounds); G Hobbs: Remuneration ten to fifteen thousand pounds (2014: ten to fifteen thousand pounds), Employer's pension contributions zero to five thousand pounds (2014: zero to five thousand pounds).

During the year retirement benefits were accruing to 3 Trustees (2014: 3) in respect of defined contribution pension schemes.

During the year, no Trustees received any reimbursement of expenses (2014: £NIL).



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**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. For the year ended 31 August 2015 the cover was provided through the Education Funding agency's Risk Protection Arrangement. Accordingly the cost of the trustee indemnity element is not separately identifiable (2014: £2,440).

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2014	9,856,200	66,470	184,489	406,405	10,513,564
Additions	150,000	-	16,395	32,003	198,398
At 31 August 2015	10,006,200	66,470	200,884	438,408	10,711,962
<b>DEPRECIATION</b>					
At 1 September 2014	490,611	26,495	129,845	299,811	946,762
Charge for the year	180,823	9,994	31,370	90,211	312,398
At 31 August 2015	671,434	36,489	161,215	390,022	1,259,160
<b>NET BOOK VALUE</b>					
At 31 August 2015	9,334,766	29,981	39,669	48,386	9,452,802
At 31 August 2014	9,365,589	39,975	54,644	106,594	9,566,802

Included in land and buildings is freehold land at valuation of £969,750 (2014 - £969,750) which is not depreciated.

**15. STOCKS**

	2015 £	2014 £
Finished goods and goods for resale	-	3,451

**16. DEBTORS**

	2015 £	2014 £
Trade debtors	9,412	18,732
Prepayments and accrued income	64,762	69,695
Tax recoverable	38,122	14,653
	112,296	103,080

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

	2015 £	2014 £
Trade creditors	3,189	-
Other creditors	56,287	-
Accruals and deferred income	129,484	167,221
	<u>188,960</u>	<u>167,221</u>

**DEFERRED INCOME**

Deferred income at 1 September 2014	55,710
Resources deferred during the year	27,437
Amounts released from previous years	(55,710)
Deferred income at 31 August 2015	<u>27,437</u>

Deferred income includes deferred trip income and income received for rates which relates to 15/16 financial year.

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**18. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>DESIGNATED FUNDS</b>						
Curriculum Development	200,000	-	-	200,000	-	400,000
<b>GENERAL FUNDS</b>						
General funds	268,322	179,421	(63,237)	(200,000)	-	184,506
Fixed assets purchased from general funds	77,596	-	(30,744)	-	-	46,852
	345,918	179,421	(93,981)	(200,000)	-	231,358
Total Unrestricted funds	545,918	179,421	(93,981)	-	-	631,358
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	510,497	4,936,164	(4,897,086)	(43,685)	-	505,890
High needs	-	32,581	(32,581)	-	-	-
Pupil premium	-	209,719	(178,405)	-	-	31,314
Other government grants	-	2,703	(2,703)	-	-	-
Other restricted	-	59,680	(56,889)	-	-	2,791
Rates grants	-	22,614	(22,614)	-	-	-
Post 16 Bursary	32,194	-	(32,194)	-	-	-
Pension reserve	(1,766,000)	-	(144,000)	-	(26,000)	(1,936,000)
	(1,223,309)	5,263,461	(5,366,472)	(43,685)	(26,000)	(1,396,005)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	7,286,505	-	(136,285)	-	-	7,150,220
Fixed assets purchased from GAG and other restricted funds	753,318	-	(95,115)	43,685	-	701,888
DfE/EFA Capital grants	1,449,384	306,781	(50,254)	-	-	1,705,911
	9,489,207	306,781	(281,654)	43,685	-	9,558,019
Total restricted funds	8,265,898	5,570,242	(5,648,126)	-	(26,000)	8,162,014
Total of funds	8,811,816	5,749,663	(5,742,107)	-	(26,000)	8,793,372

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

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**18. STATEMENT OF FUNDS (continued)**

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

**UNRESTRICTED FUNDS**

Designated funds for Curriculum Development - The College plans to spend the majority of its revenue income each year on the students in its care, sums are set aside from this each year for planned replacement of capital items such as ICT and infrastructure.

**RESTRICTED FUNDS**

General Annual Grant - Income from the EFA which is to be use for the normal running costs of the Academy, including education and support costs. The amount that can be carried forward from the General Annual Grant is no longer subject to restriction in the College's funding agreement.

High needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil premium - Pupil premium represents funding received from the EFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Other restricted funds - other funds received for restricted purposes.

**FIXED ASSET FUNDS**

Fixed assets transferred on conversion - This represent the school's surplus on conversion to an academy. These funds are to be spent on the maintenance and purchase of school assets.

Fixed assets purchased from GAG - These relate to fixed assets purchased using GAG funds. The balance at the year end represents the NBV of assets purchased.

DfE/EFA Capital grants - These funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets purchased and any unspent grant amounts.

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**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	200,000	-	-	200,000	-	400,000
General funds	345,918	179,421	(93,981)	(200,000)	-	231,358
	<u>545,918</u>	<u>179,421</u>	<u>(93,981)</u>	<u>-</u>	<u>-</u>	<u>631,358</u>
Restricted funds	(1,223,309)	5,263,461	(5,366,472)	(43,685)	(26,000)	(1,396,005)
Restricted fixed asset funds	9,489,207	306,781	(281,654)	43,685	-	9,558,019
	<u>8,811,816</u>	<u>5,749,663</u>	<u>(5,742,107)</u>	<u>-</u>	<u>(26,000)</u>	<u>8,793,372</u>

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

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds for the year ended 31 August 2015 £	Total funds for the year ended 31 August 2014 £
Tangible fixed assets	-	46,852	9,405,950	9,452,802	9,566,802
Current assets	631,358	643,395	190,777	1,465,530	1,178,235
Creditors due within one year	-	(150,252)	(38,708)	(188,960)	(167,221)
Pension scheme liability	-	(1,936,000)	-	(1,936,000)	(1,766,000)
	<u>631,358</u>	<u>(1,396,005)</u>	<u>9,558,019</u>	<u>8,793,372</u>	<u>8,811,816</u>

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Net incoming resources before revaluations	7,556	320,626
Returns on investments and servicing of finance	(1,599)	-
Depreciation of tangible fixed assets	312,398	327,477
Decrease in stocks	3,451	1,154
(Increase)/decrease in debtors	(9,216)	257,919
Increase/(decrease) in creditors	21,739	(508,147)
Defined benefit pension scheme adjustments	144,000	117,000
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u>478,329</u>	<u>516,029</u>

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**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £	2014 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	1,599	-
	<u>1,599</u>	<u>-</u>
	2015 £	2014 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(198,398)	(155,626)
Sale of tangible fixed assets	-	2,303
	<u>(198,398)</u>	<u>(153,323)</u>
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<u>(198,398)</u>	<u>(153,323)</u>

**22. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,071,704	281,530	-	1,353,234
<b>NET FUNDS</b>	<u>1,071,704</u>	<u>281,530</u>	<u>-</u>	<u>1,353,234</u>

**23. 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon 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 related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £292,655.

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

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**24. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £235,000, of which employer's contributions totalled £178,000 and employees' contributions totalled £57,000. The agreed contribution rates for future years are 14.8% for employers and 5.5-8.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,761,000)	(3,388,000)
Fair value of scheme assets	1,825,000	1,622,000
Net liability	<u>(1,936,000)</u>	<u>(1,766,000)</u>

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

	2015 £	2014 £
Current service cost	(282,000)	(243,000)
Interest on obligation	(138,000)	(139,000)
Expected return on scheme assets	103,000	87,000
Past service cost	(6,364)	(22,820)
Total	<u>(323,364)</u>	<u>(317,820)</u>

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

	2015 £	2014 £
Opening defined benefit obligation	3,388,000	2,795,000
Current service cost	282,000	243,000
Interest cost	138,000	139,000
Contributions by scheme participants	54,000	57,000
Actuarial (Gains)/losses	(82,000)	150,000
Benefits paid	(19,000)	4,000
Liability transferred on conversion	-	-
Closing defined benefit obligation	<u>3,761,000</u>	<u>3,388,000</u>



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**24. PENSION COMMITMENTS (continued)**

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

	2015 £	2014 £
Opening fair value of scheme assets	1,622,000	1,335,000
Expected return on assets	103,000	87,000
Actuarial gains and (losses)	(108,000)	(39,000)
Contributions by employer	173,000	178,000
Contributions by employees	54,000	57,000
Benefits paid	(19,000)	4,000
	<u>1,825,000</u>	<u>1,622,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £493,000 (2014: £467,000).

The academy expects to contribute £181,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	57.00 %	59.00 %
Property	11.00 %	10.00 %
Gilts	5.00 %	6.00 %
Other bonds	5.00 %	4.00 %
Cash	2.00 %	2.00 %
Other	20.00 %	19.00 %

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Expected return on scheme assets at 31 August	6.00 %	- %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	26.1	26.0
Retiring in 20 years		
Males	25.1	24.9
Females	28.4	28.3

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

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**24. PENSION COMMITMENTS (continued)**

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(3,761,000)	(3,388,000)	(2,795,000)
Scheme assets	1,825,000	1,622,000	1,335,000
Deficit	(1,936,000)	(1,766,000)	(1,460,000)
Experience adjustments on scheme liabilities	82,000	(150,000)	(144,000)
Experience adjustments on scheme assets	(108,000)	(39,000)	87,000

**25. OPERATING LEASE COMMITMENTS**

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

	2015 £	2014 £
<b>EXPIRY DATE:</b>		
Within 1 year	-	5,868

**26. RELATED PARTY TRANSACTIONS**

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

During the year £89,133 (2014: £86,521) was paid to The Skills Centre (NA) Limited, an entity jointly controlled by the Academy along with the Templer Academy Schools Trust (Teign School and Combeshead Academy), in respect of education services provided. No outstanding balance was due at the year end.

**27. AGENCY ARRANGEMENTS**

The Academy distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £38,846 and distributed £14,753 from the fund. An amount of £56,287 is included in other creditors relating to undistributed funds that is repayable to EFA.