REGISTERED COMPANY NUMBER: 07840838 (England and Wales)

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COMPANIES HOUSE

# Report of the Governors and Financial Statements for the Year Ended 31 August 2015 for QEHC Academy Trust

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

QEHC Academy Trust

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for the Year Ended 31 August 2015


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|---|---|
| **MEMBERS** | Mrs J A Smith<br>M G Robertson<br>Mrs J Foster |
| **GOVERNORS** | Cllr J G Lester (Chairman) (resigned 3.6.15) *<br>A R Burt (Chairman) *<br>Mrs J Foster (resigned 6.10.15) *<br>M G Robertson<br>Mrs J A Smith (resigned 30.10.15)<br>J Parry<br>M J Farmer (Accounting Officer) (appointed 1.9.14) *<br>R Whittaker (appointed 4.12.14)<br>Ms D Strutt (appointed 6.11.15)<br>A Jones (appointed 16.10.15)<br>D Racic (appointed 16.10.14) |

* members of the finance and premises committee

| | |
|---|---|
| **REGISTERED OFFICE** | Ashfields<br>Bromyard<br>Herefordshire<br>HR7 4QS |
| **REGISTERED COMPANY NUMBER** | 07840838 (England and Wales) |
| **SENIOR STATUTORY AUDITOR** | Mr Kevin Tong FCCA ACA |
| **AUDITORS** | Thorne Widgery Accountancy Ltd<br>Chartered Accountants<br>Statutory Auditors<br>2 Wyevale Business Park<br>Kings Acre<br>Hereford<br>Herefordshire<br>HR4 7BS |
| **SOLICITORS** | Schofield Sweeney<br>Church Bank House<br>Church Bank<br>Bradford<br>BD1 4DY |

Report of the Governors
for the Year Ended 31 August 2015

The governors who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2015. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Charitable Company was Incorporated on the 9th November 2011 and converted from a Local Authority School to an Academy Trust on the 1st December 2011.

The governors act as the trustees for the charitable activities of QEHC Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as QEHC Academy Trust.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on pages 1 to 2.

**Members' liability**

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

**Governors' Indemnities**

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the governors 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 Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors 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 governors in their capacity as directors of the Academy Trust.

The liability insurance is provided by Zurich Plc and provides cover up to £1,000,000 (2014: £1,000,000) on any one claim.

**Principal activities**

This is defined in the Articles of Association.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Method of Recruitment and Appointment or Election of Governors**

The Members appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors. At QEHC Academy Trust the retiring Staff Governors describe the role to colleagues and then invite nominations through the Headteacher's Personal Assistant. In the event of two or more nominations a simple ballot of staff is conducted.

The Parent Governors are elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected. The Governing Body makes all necessary arrangements for, and determines all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot. The arrangements made for the election of a Parent Governor provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if they prefer, by having their ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body takes such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of Parent Governors required is made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Governor the Governing Body appoints a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age. The LA has appointed the LA Governor. The Headteacher is treated for all purposes as being an ex officio Governor.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

The governing body believes that in order to fulfil its responsibilities effectively, it is essential that each member is committed to a shared vision for the academy and that the governing body is working well as a team to achieve this.

To help new governors feel able to take an active part within the governing body and be valued as an equal member of the team, the governing body recognises the need for new governors to have an induction - a period of planned support to introduce them to their new role. The aims of the induction are to:

- welcome new governors to the team;
- help them to get to know the academy;
- assist them to understand their role and responsibilities;
- enable them to contribute fully to the work of the governing body.

In order to achieve its aims, the governing body ensures that the following steps are taken.

- The Chair of Governors sends a letter welcoming the new governor to the team and offering them the opportunity to meet before the first formal governing body meeting.
- The Headteacher invites the new governor to visit the academy.
- When a new governor attends his/her first meeting, the Chair of Governors welcomes and introduces them to the other governors. Governors are asked to introduce themselves and describe any particular interests/experience they have and the new governor is given the opportunity to say something about themselves.
- The new governor is invited to join a relevant committee or committees. They can also be given the opportunity to attend and observe committee meetings before making a decision about which committees they might like to join.
- A governor is appointed to take responsibility for inducting every new governor. This will be an experienced governor who acts as a mentor.
- All governors are encouraged to attend any relevant LA, regional or national training events that become available along with in-house training sessions.
- New governors are shown how to access policy documents and other relevant information for governors.
- They will be informed who to contact for advice and support.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Organisational structure

The Academy has a leadership structure which consists of governors and Senior Leadership. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the accounting officer.

The governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Senior Leadership Team are the Headteacher, a Deputy and an Assistant Headteacher, and an Academy Business Manager. The leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts in the Senior Leadership Team always contain a governor. Some spending control is devolved to members of the Senior Leadership Team, with limits above which the Chair of Finance or Chair of Governors must agree.

Subject leaders are responsible for the day to day operation of curriculum subject areas and accordingly organise their staff, capitation resources and students.

### Risk management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, the provision of facilities and other operational issues, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying, and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Risk Register is maintained by the Academy leadership team (with reference to the Academy's Committees where appropriate), reported to the governors for approval and supported by training from an external risk management specialist where appropriate.

## OBJECTIVES AND ACTIVITIES

### Object and aims

QEHC Academy Trust exists to serve its students and community through the provision of excellent education in an open and safe environment.

Catering for students between 11 and 16, it provides a balanced and challenging curriculum to develop academic, social and life skills, including a range of sporting and cultural activities.

Being a small school in a small town in a rural location it is at the centre of its community and this situation develops social responsibility in the students.

**OBJECTIVES AND ACTIVITIES**

**Significant activities**

In the first years following conversion to academy status the prime objective of constantly improving academic performance has been supported by a range of activities aimed at upgrading the school's physical and organisational environment.

Various projects have enhanced the physical fabric of the school. These have been largely funded through EFA maintenance grants supplemented by reserve funds, including:

- Completion of roof repairs to the main building
- Upgrading of the heating system
- Installation of new fire doors
- Refitting of the front of the main block and the DT room
- Repainting the outside of the buildings
- Creation of a new car park from a derelict tennis court
- Re-tarmacking of the main drive
- Refitting of the north block computer room

These achievements were effected through the appointment of an experienced Project Manager to ensure timely, efficient and cost effective delivery of these projects. To reflect the school's commitment to charitable activities in the local community various initiatives have been carried out by students and staff.

**Public benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

**ACHIEVEMENT AND PERFORMANCE**
**Charitable activities**
Headline data:

- 49% 5A* - C GCSE or equivalent
- 40% 5A* - C GCSE or equivalent including English & Maths (5ACEM)
- 17% EBacc
- Expected Progress in Maths - 43%
- Expected progress in English - 61%

Special Educational Needs (SEN)
- 1 student
- 0% 5AC on SEN register compared to 50% 5AC non-SEN
- 0% 5ACEM on SEN register compared to 40% non-SEN

Pupil Premium (PP) (FSM6+LAC)
- 16 students
- 14% of students entitled to FSM achieved 5AC of students compared to 43% of students not entitled to FSM
- 0% of students entitled to PP achieved 5ACEM of students compared to 45% of students not entitled to FSM

Key Messages
- Careful monitoring of students who are at risk of falling behind is essential for the year 2015-2016 as the decline seen in 2013-2015 is indicative of this not happening with all students allied with staffing and performance elements that are historic but still impacting. An obvious focus must now be on those students who come under Pupil Premium criteria in ensuring their performance improves rapidly.
- GCSE subjects must focus on progress as this is the highest priority in new KPIs. This is a move the college has made over the last 12 months and is beginning to show positive results of recovery.
- Revisions to the way in which first exam sittings will be counted in the performance tables have resulted in a fall in attainment for English, Maths and RE. This has had an impact on the overall 5ACEM figure. The curriculum and assessment regime to counteract this are now in place.
- A report from Ofsted is currently pending and may have an impact on student intake in September 2016 and beyond.

A full, detailed data analysis is available on request from the Deputy Headteacher

**Going concern**
After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust 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 Statement of Accounting Policies.

**Key financial performance indicators**
These are covered throughout the Governors' Report.

**FINANCIAL REVIEW**

**Reserves policy**

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £114,924 (2014: £175,368), all of which is free reserves. The level of general restricted reserves is £125,114 surplus (2014: £29,004 surplus).

**Investment policy and objectives**

The academy retains any interest earned on investments and bears any charges made by the bank. Investment of temporary cash surpluses is made directly in current or deposit accounts of the nominated bank. The Headteacher and Academy Business Manager monitor cash balances to determine the most appropriate interest bearing account.

Loans are never made to any organisation or individual from academy funds. The academy does not offer any security to the bank.

Any re-profiling of income flow must be agreed by the Headteacher and Academy Business Manager. The academy has not make arrangements for overdrafts, loans or any other forms of credit or deferred purchases.

**FINANCIAL REVIEW**

The QEHC Academy Trust is now fully funded by the EFA. From December 2011 (conversion) until the summer term 2012, the existing governors' Finance Policy was used to guide financial decision making. At that point the Finance Committee (confirmed by the FGB) took the decision to use the relevant Academies Financial Handbook as their Finance Policy. Some addenda will be added to ensure that QEHC specific issues are fully covered.

Additionally, a detailed Risk Register has been prepared.

A budget monitoring report is prepared each month and submitted to members of the Finance Committee for information purposes and then reviewed at each Finance Committee meeting. At FGB the minutes of the Finance Committee are reviewed and the financial competency of the academy confirmed.

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year 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 in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants 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 £1,878,799 (2014: £1,742,099) was covered by recurrent grant funding from the DfE together with other incoming. The net incoming resources, before transfers and revaluations for the year was £105,508 (2014: £80,328).

At 31 August 2015, the net book value of fixed assets was £3,195,969 (2014: £3,218,314) and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Financial and Risk Management Objectives and Policies

The academy has adopted a protocol based on that of its insurer, Zurich Municipal:

**Stage 1: Risk identification / Compiling the Risk Register**

The Risk Register is reviewed proactively on an ongoing basis e.g. at regular management/governors meetings and, reactively when key staff leave, when control systems change or when new evidence about risk exposure emerges, e.g. if a loss were incurred, errors made or an accident suffered. It is, therefore, a key tool for senior leadership and governors to use continuously to check that the academy's level of risk exposure is acceptable.

**Stage 2. Prioritisation - Assessing the Probability and the Impact of Each Risk**

The Risk Register uses a matrix offering a straightforward means of plotting the probability of the risk occurring and its likely impact. This shows in quite stark terms those risks that should cause most concern - high chance of occurrence and high impact. It is now relatively easy for staff and governors to complete as it is based on the knowledge of several people without the need for detailed analysis. Now that all risks are plotted on the matrix, those that fall in the Red or Amber squares are being looked at and will usually require some degree of management action.

**Stage 3: Control Definition and Controls Assessment**

The first step is to consider the existing controls. Examples of controls used to date include: project plans, effective resource management, verification processes, management information and actions, physical safeguards, supervision, monitoring. This has helped in the assessment of the "real" risks by briefly considering and evaluating the level of existing controls in place.

**FINANCIAL REVIEW**

**Stage 4: Priority/Timescales/Review Date**
Description of further action required is entered into the risk register and reviewed periodically. The priority of the risk determines the time frame and review date as follows: Low Long Term Date - 12 months from now; Medium Term Date - 6 months from now; High Short Term Date - 3 months from now. A risk owner is identified who can be accountable for taking the action.

**Principal Risks and Uncertainties**

Currently, the Governors consider that the critical risks and uncertainties facing the Academy are:

- The impact of redundancy payments in respect of changes to catering operations
- Insufficient intake in September 2015 in light of potential negative PR from pending Ofsted judgement

The carry forward (free reserves) has been managed to cover each of these eventualities for 2014/15 and 2015/16.

**PLANS FOR FUTURE PERIODS**
The next major project with financial implications will be the upgrade of the Changing rooms. A capital bid is being prepared for submission at the next round early 2016. Ongoing issues with respect to in house catering services should have been concluded for the start of 2016.

Statement of assumptions - QEHC Academy Trust

Income
1. 28% Pupil Premium students
2. Approximately £5,000 per pupil per annum GAG
3. MFG remains at -1.5%
4. Rates fully reimbursed @ 80%
5. No long-term guaranteed sponsorship or additional income

Expenditure
1. Expenditure based on a student roll of 316
2. Teaching staff employed at an average of M6
3. 1 permanent TA with no Level 4 Banded Funding
4. Admin staff at current roll
5. Canteen currently at break-even following government FSM to Foundation and KS1 students initiative with a view to long-term viability to be made by the end of December 2015
6. Contingency calculations are precise and sufficient

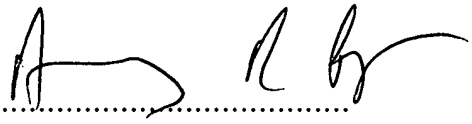
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**
So far as the governors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company`s auditors are unaware, and each governor has taken all the steps that they ought to have taken as a governor in order to make them aware of any audit information and to establish that the charitable company`s auditors are aware of that information.

**AUDITORS**
The auditors, Thorne Widgery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

QEHC Academy Trust

Report of the Governors
for the Year Ended 31 August 2015

Governors report, incorporating a strategic report, was approved by order of the board of governors on .....10/12/15..... and signed on its behalf by:



.....
A R Burt - Chairman

QEHC Academy Trust

Governance Statement
for the Year Ended 31 August 2015

**Scope of Responsibility**
As governors, we acknowledge we have overall responsibility for ensuring that QEHC 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 Governing Body has delegated the day-to-day responsibility to the Headteacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between QEHC Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**Governance**
The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met 6 (six) times during the year to 31 August 2015. Attendance during the year at meetings of the Governing Body was as follows:

| Governor | | Meetings Attended | Out of a possible |
|---|---|---|---|
| J Lester | (resigned 3.6.15) | 5 | 5 |
| T Burt | | 6 | 6 |
| J Foster | (resigned 6.10.15) | 6 | 6 |
| M Robertson | | 2 | 6 |
| A Smith | (resigned 30.10.15) | 5 | 6 |
| J Parry | | 2 | 6 |
| M J Farmer | (appointed 1.9.14) | 6 | 6 |
| R Whittaker | (appointed 4.12.14) | 4 | 5 |
| D Racic | (appointed 16.10.14) | 6 | 6 |

**The Finance Committee** is a sub-committee of the main Governing Body. Its purpose is to set a strategic direction for the academy finances and to monitor their use. Attendance at meetings in the year was as follows:

| Governor | | Meetings Attended | Out of a possible |
|---|---|---|---|
| J Lester | (resigned 3.6.15) | 4 | 5 |
| T Burt | | 6 | 6 |
| J Foster | (resigned 6.10.15) | 5 | 6 |
| M Robertson | | 0 | 6 |
| M J Farmer | (appointed 1.9.14) | 6 | 6 |

**Governance Review**
The Academy reviews the skills set of the Governors to ensure a board range of knowledge/expertise is represented.

**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

**Review of Value for Money**
delivered improved value for money during the year by:

Over the last financial period, QEHC Academy Trust has undergone significant change. This was the first academic year where an entirely new Senior Leadership Team was in place. It has faced significant challenge in adapting the curriculum to better meet the needs of students of all abilities in the face of a changing entry profile for students and in developing an ethos enabling students to be supported, believe in themselves and achieve.

Some of the ways we have used our resources this year to ensure good value are:

- A newly designed curriculum, allowing students an additional 90 minutes a week extra of English and mathematics
- Increased staffing to ensure specialist teachers deliver their subjects wherever possible
- Improved facilities, with the addition of a dance studio, a gym, student lockers throughout the academy, 2 fully refurbished ICT suites with new PC's throughout and the replacement of the academy network
- Link work with cluster and wider primaries to support students at KS1-2 in areas such as physical education, mathematics and languages
- Engaging with the local partners to place the academy at the heart of the community
- Developing a charitable ethos throughout the academy resulting in students raising over £10000 for charitable causes during the academic year
- Increasing attendance further above national average whilst reducing persistent absence below that nationally
- Individual support and intervention so that recent curriculum remodelling can become embedded and result in sustainable improvements to student outcomes
- Increasing student numbers on roll reflecting a 2% increase year on year
- The re-introduction of a faculty system with appropriate Middle Leadership to support academy senior leaders and deliver improved outcomes for students
- A significant reduction in annual spend on alternative provision for students and on examination fees
- A wholesale rebranding of the academy
- Embedding citizenship as a core message of the academy resulting in the award of National Citizenship Service Champion School Award
- The relocation and utilisation of the library to enable all students to access a wide range of reading material and resources to support their studies or for pleasure

QEHC Academy Trust was successful in bidding for funds to upgrade the roof of North Block and new windows throughout the Main Hall, work which is now at the stage of completion. Regular maintenance and refurbishment to the fabric of the buildings including new flooring to North Block is ensuring that an attractive and stimulating environment is provided for all students, and improving rapidly as a result of stakeholder feedback. The trust has a policy of regularly applying for grants to improve the fabric of all its buildings and this will continue next year with bids for refurbishment of the changing facilities which are in urgent need of extensive renovation to ensure they are fit for purpose.

There is a constant desire within the trust to improve through better systems that lead to better outcomes for students. Value for money is a key part of ensuring we are able to do this. Areas of budget control such as spend on alternative provision, the use of supply cover and examinations have been reviewed and lead to significant savings, allowing for other areas of the trust's operations for example staffing to be addressed accordingly.

**The Purpose of the System of Internal Control**
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company 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 QEHC Academy Trust for the period 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 governors has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body.
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr M Robertson, a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

**Review of Effectiveness**
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

QEHC Academy Trust

Governance Statement
for the Year Ended 31 August 2015

Approved by order of the members of the board of governors on .....10/12/15..... and signed on its behalf by:

.....
A R Burt - Chairman

.....
M J Farmer - Accounting Officer

QEHC Academy Trust

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2015

As accounting officer of QEHC Academy Trust I have considered my responsibility to notify the charitable company board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

.....
Mr M Farmer - Accounting Officer

Date: 10/12/15

QEHC Academy Trust

Statement of Governors Responsibilities
for the Year Ended 31 August 2015

The governors (who act as trustees of QEHC Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors 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 governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2005;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Governors report, incorporating a strategic report, was approved by order of the board of governors on .....10/12/15..... and signed on its behalf by:

.....

A R Burt - Chairman

Report of the Independent Auditors to the Members of
QEHC Academy Trust

We have audited the financial statements of QEHC 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 Accounts Direction 2014 to 2015 issued by the Education Funding Agency (EFA).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of governors and auditors**
As explained more fully in the Statement of Governors Responsibilities, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors 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 charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

**Opinion on other matter prescribed by the Companies Act 2006**
In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
QEHC Academy Trust

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

Mr Kevin Tong FCCA ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 10/12/15

**Note:**

The maintenance and integrity of the QEHC Academy Trust website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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

In accordance with the terms of our engagement 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 QEHC Academy Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

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

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

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

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purpose intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal control procedures for establishing and maintaining systems of control and documentation regarding these matters

The work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

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

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 22 in the attached accounts.

**Conclusion**

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

Thorne Widgery Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 10/12/15

QEHC Academy Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2015

| | Notes | Unrestricted General fund £ | Restricted Fixed Asset Fund £ | Restricted General Fund £ | 31.8.15 Total funds £ | 31.8.14 Total funds £ |
|---|---|---|---|---|---|---|
| **INCOMING RESOURCES** | | | | | | |
| **Incoming resources from generated funds** | | | | | | |
| Voluntary income | 3 | - | 74,439 | 52,001 | 126,440 | 40,664 |
| Activities for generating funds | 4 | 146,832 | - | - | 146,832 | 114,934 |
| Investment income | 5 | 597 | - | - | 597 | 209 |
| **Incoming resources from charitable activities** | | | | | | |
| Academy's educational operations | 6 | - | - | 1,801,875 | 1,801,875 | 1,778,915 |
| **Total incoming resources** | | 147,429 | 74,439 | 1,853,876 | 2,075,744 | 1,934,722 |
| **RESOURCES EXPENDED** | | | | | | |
| **Charitable activities** | | | | | | |
| Academy's educational operations | 8 | 207,872 | 103,437 | 1,646,195 | 1,957,504 | 1,841,644 |
| **Governance costs** | 9 | - | - | 12,732 | 12,732 | 12,750 |
| **Total resources expended** | 7 | 207,872 | 103,437 | 1,658,927 | 1,970,236 | 1,854,394 |
| **NET INCOMING RESOURCES** | | (60,443) | (28,998) | 194,949 | 105,508 | 80,328 |
| **Gross transfers between funds** | 19 | - | 86,839 | (86,839) | - | - |
| **Net incoming resources before other recognised gains and losses** | | (60,443) | 57,841 | 108,110 | 105,508 | 80,328 |
| **Other recognised gains/losses** | | | | | | |
| Actuarial gains/losses on defined benefit schemes | | - | - | (28,000) | (28,000) | (37,000) |
| **Net movement in funds** | | (60,443) | 57,841 | 80,110 | 77,508 | 43,328 |

The notes form part of these financial statements



continued...

Statement of Financial Activities - continued
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2015

| | Notes | Unrestricted General fund £ | Restricted Fixed Asset Fund £ | Restricted General Fund £ | 31.8.15 Total funds £ | 31.8.14 Total funds £ |
|---|---|---|---|---|---|---|
| **RECONCILIATION OF FUNDS** | | | | | | |
| **Total funds brought forward** | | 175,367 | 3,138,126 | (310,996) | 3,002,497 | 2,959,169 |
| **TOTAL FUNDS CARRIED FORWARD** | | 114,924 | 3,195,967 | (230,886) | 3,080,005 | 3,002,497 |

**CONTINUING OPERATIONS**
All incoming resources and resources expended arise from continuing activities.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

The notes form part of these financial statements

## Balance Sheet
## At 31 August 2015

| | Notes | 31.8.15 £ | 31.8.14 £ |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Tangible assets | 13 | 3,195,969 | 3,218,314 |
| **CURRENT ASSETS** | | | |
| Debtors | 14 | 37,643 | 31,519 |
| Cash at bank and in hand | | 434,885 | 146,432 |
| | | 472,528 | 177,951 |
| **CREDITORS** | | | |
| Amounts falling due within one year | 15 | (232,492) | (53,768) |
| **NET CURRENT ASSETS** | | 240,036 | 124,183 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 3,436,005 | 3,342,497 |
| **PENSION LIABILITY** | 20 | (356,000) | (340,000) |
| **NET ASSETS** | | 3,080,005 | 3,002,497 |
| **FUNDS** | 19 | | |
| Unrestricted funds: | | | |
| Unrestricted General fund | | 114,924 | 175,367 |
| Restricted funds: | | | |
| Restricted General Fund | | 125,114 | 29,004 |
| Restricted Pension Fund | | (356,000) | (340,000) |
| DfE/YPLA Capital Grants | | 449,704 | 399,512 |
| Conversion and depreciation | | 2,648,337 | 2,701,322 |
| Capital expenditure from GAG | | 97,926 | 37,292 |
| | | 2,965,081 | 2,827,130 |
| **TOTAL FUNDS** | | 3,080,005 | 3,002,497 |

The notes form part of these financial statements



continued...

Balance Sheet - continued
At 31 August 2015

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved and authorised for issue by the Board of Governors on .....10/12/15..... and were signed on its behalf by:

.....
A R Burt -Chairman

QEHC Academy Trust

Cash Flow Statement
for the Year Ended 31 August 2015

| | Notes | 31.8.15<br>£ | 31.8.14<br>£ |
|---|---|---|---|
| **Net cash inflow from operating activities** | 1 | 294,309 | 153,607 |
| **Returns on investments and servicing of finance** | 2 | 597 | 209 |
| **Capital expenditure and financial investment** | 2 | (6,453) | (22,060) |
| **Increase in cash in the period** | | 288,453 | 131,756 |

| | | | |
|---|---|---|---|
| **Reconciliation of net cash flow to movement in net debt** | 3 | | |
| Increase in cash in the period | | 288,453 | 131,756 |
| Change in net debt resulting from cash flows | | 288,453 | 131,756 |
| **Movement in net debt in the period** | | 288,453 | 131,756 |
| **Net debt at 1 September** | | 146,432 | 14,676 |
| **Net debt at 31 August** | | 434,885 | 146,432 |

The notes form part of these financial statements

## 1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 31.8.15<br>£ | 31.8.14<br>£ |
|---|---|---|
| Net incoming resources | 105,508 | 80,328 |
| Depreciation charges | 100,062 | 90,616 |
| Loss on disposal of fixed assets | 3,175 | 2,679 |
| Capital grants from DfE/EFA | (74,439) | (9,400) |
| Interest received | (597) | (209) |
| Increase in debtors | (6,124) | (7,347) |
| Increase/(decrease) in creditors | 178,724 | (22,060) |
| Difference between pension charge and cash contributions | (12,000) | 19,000 |
| **Net cash inflow from operating activities** | 294,309 | 153,607 |

## 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | 31.8.15<br>£ | 31.8.14<br>£ |
|---|---|---|
| **Returns on investments and servicing of finance** | | |
| Interest received | 597 | 209 |
| **Net cash inflow for returns on investments and servicing of finance** | 597 | 209 |
| **Capital expenditure and financial investment** | | |
| Purchase of tangible fixed assets | (81,092) | (32,514) |
| Capital grants from DfE/EFA | 74,439 | 9,400 |
| Sale of tangible fixed assets | 200 | 1,054 |
| **Net cash outflow for capital expenditure and financial investment** | (6,453) | (22,060) |

## 3. ANALYSIS OF CHANGES IN NET DEBT

| | At 1.9.14<br>£ | Cash flow<br>£ | At 31.8.15<br>£ |
|---|---|---|---|
| Net cash: | | | |
| Cash at bank and in hand | 146,432 | 288,453 | 434,885 |
| Total | 146,432 | 288,453 | 434,885 |

## 1. ACCOUNTING POLICIES

**Accounting convention**
The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Companies Act 2006, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005)' and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

**Incoming resources**
All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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

**General Annual Grant**
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 fund.

**Capital Grants**
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 funds.

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

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

## 1. ACCOUNTING POLICIES - continued

**Resources expended**
All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

**Charitable activities**
These are costs incurred on the Academy Trust's educational operations.

**Governance costs**
These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

**Tangible fixed assets**
Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

| | | |
|---|---|---|
| Freehold buildings | 2% | per annum |
| Furniture, fittings and equipment | 15% - 20% | per annum |
| ICT equipment | 33 .3% | per annum |
| Motor Vehicles | 20% | per annum |

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

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

Assets acquired at a cost over £1,000 are considered for capitalisation.

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

## 1. ACCOUNTING POLICIES - continued

**Fund accounting**
Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education funding Agency.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**
Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

## 2. GENERAL ANNUAL GRANT

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at the year end.

## 3. VOLUNTARY INCOME

| | Unrestricted funds £ | Restricted funds £ | 31.8.15 Total funds £ | 31.8.14 Total funds £ |
|---|---|---|---|---|
| Grants | - | 74,439 | 74,439 | 9,400 |
| School trips etc | - | 39,679 | 39,679 | 29,017 |
| Other grants and payments | - | 12,322 | 12,322 | 2,247 |
| | - | 126,440 | 126,440 | 40,664 |

Grants received, included in the above, are as follows:

| | 31.8.15 £ | 31.8.14 £ |
|---|---|---|
| Capital Grant | 74,439 | 9,400 |

## 4. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds £ | Restricted funds £ | 31.8.15 Total funds £ | 31.8.14 Total funds £ |
|---|---|---|---|---|
| Fundraising events | 5,978 | - | 5,978 | - |
| Hire of facilities | - | - | - | 2,875 |
| Room and building hire | 12,764 | - | 12,764 | 17,777 |
| Catering income | 128,090 | - | 128,090 | 94,282 |
| | 146,832 | - | 146,832 | 114,934 |

## 5. INVESTMENT INCOME

| | Unrestricted funds £ | Restricted funds £ | 31.8.15 Total funds £ | 31.8.14 Total funds £ |
|---|---|---|---|---|
| Deposit account interest | 597 | - | 597 | 209 |

## 6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £ | Restricted funds £ | 31.8.15 Total funds £ | 31.8.14 Total funds £ |
|---|---|---|---|---|
| **DfE/EFA revenue grant** | | | | |
| General Annual Grant(GAG) | - | 1,701,999 | 1,701,999 | 1,697,447 |
| Other DfE/EFA Grants | - | 80,443 | 80,443 | 81,468 |
| | - | 1,782,442 | 1,782,442 | 1,778,915 |
| **Other government grant** | | | | |
| Other Government Grants | - | 19,433 | 19,433 | - |
| | - | 1,801,875 | 1,801,875 | 1,778,915 |

## 7. RESOURCES EXPENDED

| | Staff costs £ | Non-pay expenditure Premises £ | Non-pay expenditure Other costs £ | 31.8.15 Total £ | 31.8.14 Total £ |
|---|---|---|---|---|---|
| **Charitable activities Academies educational operations** | | | | | |
| Direct costs | 1,051,510 | 48,185 | 128,632 | 1,228,327 | 1,181,207 |
| Allocated support costs | 369,229 | 79,276 | 280,672 | 729,177 | 660,437 |
| | 1,420,739 | 127,461 | 409,304 | 1,957,504 | 1,841,644 |
| Governance costs including allocated support costs | - | - | 12,732 | 12,732 | 12,750 |
| | 1,420,739 | 127,461 | 422,036 | 1,970,236 | 1,854,394 |

Net resources are stated after charging/(crediting):

| | 31.8.15 £ | 31.8.14 £ |
|---|---|---|
| Auditors' remuneration | 11,500 | 11,500 |
| Depreciation - owned assets | 100,062 | 90,616 |
| Deficit on disposal of fixed asset | 3,175 | 2,679 |
| Operating leases | 12,946 | 8,498 |

## 8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds £ | Restricted funds £ | 31.8.15 Total funds £ | 31.8.14 Total funds £ |
|---|---|---|---|---|
| **Direct costs** | | | | |
| Teaching and educational support staff | - | 1,051,510 | 1,051,510 | 948,430 |
| Depreciation | - | 48,185 | 48,185 | 48,185 |
| Educational supplies | 5,978 | 101,795 | 107,773 | 91,580 |
| Examination fees | - | 21,145 | 21,145 | 35,397 |
| Staff development | - | 4,705 | 4,705 | 7,878 |
| Educational consultancy | - | 7,009 | 7,009 | 30,737 |
| Other direct costs | - | (12,000) | (12,000) | 19,000 |
| | 5,978 | 1,222,349 | 1,228,327 | 1,181,207 |
| **Allocated support costs** | | | | |
| Support staff costs | 141,222 | 228,007 | 369,229 | 330,466 |
| Depreciation | - | 51,877 | 51,877 | 42,431 |
| Loss on sale of assets | - | 3,175 | 3,175 | 2,679 |
| Recruitment and support | - | 8,703 | 8,703 | 11,802 |
| Maintenance of premises and equipment | - | 101,896 | 101,896 | 89,501 |
| Cleaning | - | 2,350 | 2,350 | 2,019 |
| Rent and rates | - | 5,073 | 5,073 | 8,430 |
| Insurance | - | 23,699 | 23,699 | 25,136 |
| Catering | 60,672 | - | 60,672 | 56,028 |
| Other support costs | - | 102,503 | 102,503 | 91,945 |
| | 201,894 | 527,283 | 729,177 | 660,437 |
| | 207,872 | 1,749,632 | 1,957,504 | 1,841,644 |

## 9. GOVERNANCE COSTS

| | Unrestricted funds £ | Restricted funds £ | 31.8.15 Total funds £ | 31.8.14 Total funds £ |
|---|---|---|---|---|
| Auditors' remuneration | - | 11,500 | 11,500 | 11,500 |
| Auditors' remuneration for non-audit work | - | - | - | 900 |
| Legal and professional fees | - | 1,232 | 1,232 | 350 |
| | - | 12,732 | 12,732 | 12,750 |

## 10. GOVERNORS' REMUNERATION AND BENEFITS

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration and other benefits received during the period, was as follows:

| | | | 2015 | 2014 |
|---|---|---|---|---|
| D Racic | Staff Gov | Remuneration | £30,000 - £35,000 | None |
| (appointed 16.10.14) | | Employers Pension Contributions | £0 - £5,000 | None |
| M Farmer | Headteacher | Remuneration | £70,000 - £75,000 | None |
| (appointed 1.9.14) | | Employers Pension Contributions | £0 - £10,000 | None |
| M Goodman | Headteacher | Remuneration | None | £70,000 - £75,000 |
| (resigned 31.7.14) | | Employers Pension Contributions | None | £0 - £10,000 |
| S Holyoak | Staff Gov | Remuneration | None | £35,000 - £40,000 |
| (resigned 31.7.14) | | Employers Pension Contributions | None | £0 - £5,000 |

S Holyoak's remuneration above for 2014, is calculated for the whole year, the remuneration as a governor for was £35,000 - £40,000.

**Governors' expenses**

During the year ended 31 August 2015, travel and subsistence expenses totalling £Nil (2014: £NIL) were reimbursed to the governors.

Other related party transactions involving the trustees are set out in the note to the accounts.

## 11. STAFF COSTS

| | 31.8.15 | 31.8.14 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 1,144,899 | 1,049,119 |
| Social security costs | 74,052 | 69,984 |
| Other pension costs | 167,008 | 138,171 |
| | 1,385,959 | 1,257,274 |
| Supply teacher costs | 34,780 | 13,855 |
| Compensation payments | - | 7,767 |
| | 1,420,739 | 1,278,896 |

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

| | 31.8.15 | 31.8.14 |
|---|---|---|
| Teachers | 19 | 17 |
| Administration and support | 16 | 21 |
| Management | 4 | 3 |
| | 39 | 41 |

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

| | 31.8.15 | 31.8.14 |
|---|---|---|
| £60,001 - £70,000 | 1 | - |
| £70,001 - £80,000 | 1 | 1 |
| | 2 | 1 |

The above employees participated in the Teachers' Pension Scheme.

Included in staff costs are non statutory/ non-contractual severance payments totalling £Nil (2014: £7,767).

## 12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £570 (2014: £570).

The cost of this insurance is included in the total insurance cost.

## 13. TANGIBLE FIXED ASSETS

| | Freehold property £ | Improvements to property £ | Plant and machinery £ |
|---|---|---|---|
| **COST** | | | |
| At 1 September 2014 | 2,820,531 | 431,958 | 4,711 |
| Additions | - | 61,846 | - |
| Disposals | - | - | - |
| At 31 August 2015 | 2,820,531 | 493,804 | 4,711 |
| **DEPRECIATION** | | | |
| At 1 September 2014 | 132,509 | 14,287 | 2,591 |
| Charge for year | 48,186 | 9,876 | 942 |
| Eliminated on disposal | - | - | - |
| At 31 August 2015 | 180,695 | 24,163 | 3,533 |
| **NET BOOK VALUE** | | | |
| At 31 August 2015 | 2,639,836 | 469,641 | 1,178 |
| At 31 August 2014 | 2,688,022 | 417,671 | 2,120 |

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 September 2014 | 120,504 | 43,500 | 27,391 | 3,448,595 |
| Additions | 6,435 | - | 12,811 | 81,092 |
| Disposals | - | (7,500) | - | (7,500) |
| At 31 August 2015 | 126,939 | 36,000 | 40,202 | 3,522,187 |
| **DEPRECIATION** | | | | |
| At 1 September 2014 | 49,443 | 14,699 | 16,752 | 230,281 |
| Charge for year | 19,040 | 7,200 | 14,818 | 100,062 |
| Eliminated on disposal | - | (4,125) | - | (4,125) |
| At 31 August 2015 | 68,483 | 17,774 | 31,570 | 326,218 |
| **NET BOOK VALUE** | | | | |
| At 31 August 2015 | 58,456 | 18,226 | 8,632 | 3,195,969 |
| At 31 August 2014 | 71,061 | 28,801 | 10,639 | 3,218,314 |

Freehold property includes land costing £411,269 (2014: £411,269).

## 14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.8.15 | 31.8.14 |
|---|---|---|
| | £ | £ |
| Trade debtors | 2,761 | 1,867 |
| Other debtors | 34,882 | 29,652 |
| | 37,643 | 31,519 |

## 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.8.15 | 31.8.14 |
|---|---|---|
| | £ | £ |
| Trade creditors | 13 | 13,467 |
| Taxation and social security | 44,618 | 39,235 |
| Other creditors | 187,861 | 1,066 |
| | 232,492 | 53,768 |

**Deferred Income**

| | 2015 |
|---|---|
| | £ |
| Deferred income at 1 September 2014 | - |
| Resources deferred in the year | 164,749 |
| Amounts released from previous years | - |
| Deferred income at 31 August 2015 | 164,749 |

At the balance sheet date the Academy Trust was holding funds received in relation of a capital project which had yet to have started.

## 16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

| | Other operating leases | |
|---|---|---|
| | 31.8.15 | 31.8.14 |
| | £ | £ |
| Expiring: | | |
| Between one and five years | 11,820 | 8,163 |

## 17. 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.

## 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted General fund | Restricted Fixed Asset Fund | Restricted General Fund | 31.8.15 Total funds | 31.8.14 Total funds |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Fixed assets | - | 3,195,969 | - | 3,195,969 | 3,218,314 |
| Current assets | 114,924 | 164,747 | 192,857 | 472,528 | 177,951 |
| Current liabilities | - | (164,749) | (67,743) | (232,492) | (53,768) |
| Pension liability | - | - | (356,000) | (356,000) | (340,000) |
| | 114,924 | 3,195,967 | (230,886) | 3,080,005 | 3,002,497 |

## 19. MOVEMENT IN FUNDS

| | At 1.9.14 | Net movement in funds | Transfers between funds | At 31.8.15 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Unrestricted funds** | | | | |
| Unrestricted General fund | 175,367 | (60,443) | - | 114,924 |
| **Restricted funds** | | | | |
| Restricted General Fund | 29,004 | 182,949 | (86,839) | 125,114 |
| Restricted Pension Fund | (340,000) | (16,000) | - | (356,000) |
| DfE/YPLA Capital Grants | 399,512 | 46,453 | 3,739 | 449,704 |
| Conversion and depreciation | 2,701,322 | (52,985) | - | 2,648,337 |
| Capital expenditure from GAG | 37,292 | (22,466) | 83,100 | 97,926 |
| | 2,827,130 | 137,951 | - | 2,965,081 |
| **TOTAL FUNDS** | 3,002,497 | 77,508 | - | 3,080,005 |

## 19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| Unrestricted General fund | 147,429 | (207,872) | - | (60,443) |
| **Restricted funds** | | | | |
| Restricted General Fund | 1,701,999 | (1,519,050) | - | 182,949 |
| Other DfE/EFA grants | 80,443 | (80,443) | - | - |
| Other Restricted | 71,434 | (71,434) | - | - |
| DfE/YPLA Capital Grants | 74,439 | (27,986) | - | 46,453 |
| Restricted Pension Fund | - | 12,000 | (28,000) | (16,000) |
| Conversion and depreciation | - | (52,985) | - | (52,985) |
| Capital expenditure from GAG | - | (22,466) | - | (22,466) |
| | 1,928,315 | (1,762,364) | (28,000) | 137,951 |
| **TOTAL FUNDS** | 2,075,744 | (1,970,236) | (28,000) | 77,508 |

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

- Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. General Annual Grant (GAG): must be used for the normal running costs of the Academy.
- Other DfE/EFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.

Transfer between funds are in relation to a review of the fixed assets at the year ended 31 August 2015.

## 20. PENSION AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £21,941 (2014: £19,777) were payable to the schemes at 31 August 2015 and are included within creditors.

## 20. PENSION AND SIMILAR OBLIGATIONS - continued

**Teachers' pension scheme**

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £164,585 (2014: £161,558).

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

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

## 20. PENSION AND SIMILAR OBLIGATIONS - continued

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2015 was £101,643, of which employer's contributions totalled £85,872 and employees' contributions totalled £15,771. The agreed contribution rates for future years are 17.1 per cent for employers and between 5.5 and 12.5 per cent 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.

As the scheme is in deficit, the School has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable over a six year period will be the Future Service Rate of 19.0% of payroll plus phased lump sum deficit contributions starting at £30,300 for the year to 2015, increasing by approximately 4% per annum. The rate payable from 1 April 2017 will be further revised following the next valuation of the Pension Fund on 31 March 2016.

The current estimated recovery period is 9 years.

The amounts recognised in the balance sheet are as follows:

| | Defined benefit pension plans | |
|---|---|---|
| | 31.8.15 | 31.8.14 |
| | £ | £ |
| Present value of funded obligations | (635,000) | (535,000) |
| Fair value of plan assets | 279,000 | 195,000 |
| | (356,000) | (340,000) |
| Deficit | (356,000) | (340,000) |
| Liability | (356,000) | (340,000) |

## 20. PENSION AND SIMILAR OBLIGATIONS - continued

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

| | Defined benefit pension plans | |
|---|---|---|
| | 31.8.15 | 31.8.14 |
| | £ | £ |
| Current service cost | 66,000 | 48,000 |
| Interest cost | 22,000 | 19,000 |
| Expected return | (14,000) | (10,000) |
| Gains/losses on settlements and curtailments | - | 27,000 |
| | 74,000 | 84,000 |
| Actual return on plan assets | (2,000) | 14,000 |

Changes in the present value of the defined benefit obligation are as follows:

| | Defined benefit pension plans | |
|---|---|---|
| | 31.8.15 | 31.8.14 |
| | £ | £ |
| Defined benefit obligation | (535,000) | (415,000) |
| Current service cost | (66,000) | (48,000) |
| Contributions by scheme participants | (16,000) | (13,000) |
| Interest cost | (22,000) | (19,000) |
| Actuarial losses/(gains) | (12,000) | (35,000) |
| Benefits paid | 16,000 | 22,000 |
| Curtailments | - | (27,000) |
| | (635,000) | (535,000) |

Changes in the fair value of scheme assets are as follows:

| | Defined benefit pension plans | |
|---|---|---|
| | 31.8.15 | 31.8.14 |
| | £ | £ |
| Fair value of scheme assets | 195,000 | 131,000 |
| Contributions by employer | 86,000 | 65,000 |
| Contributions by scheme participants | 16,000 | 13,000 |
| Expected return | 14,000 | 10,000 |
| Actuarial gains/(losses) | (16,000) | (2,000) |
| Benefits paid | (16,000) | (22,000) |
| | 279,000 | 195,000 |

## 20. PENSION AND SIMILAR OBLIGATIONS - continued

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

| | Defined benefit pension plans | |
|---|---|---|
| | 31.8.15 | 31.8.14 |
| Equities | 89.3% | 90.2% |
| Bonds - Government | 0.1% | 0% |
| Bonds - Other | 6.1% | 6% |
| Cash/Liquidity | 1% | 3.8% |
| Other | 3.5% | 0% |

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

| | **Expected return at 31 August 2015** | **Fair value at 31 August 2015** | **Expected return at 31 August 2014** | **Fair value at 31 August 2014** |
|---|---|---|---|---|
| | | **£** | | **£** |
| Equities | 6.5% | 249,000 | 7.0% | 180,000 |
| Other bonds | 3.6% | 17,000 | 3.8% | 13,000 |
| Cash/liquidity | 0.5% | 3,000 | 0.5% | 2,000 |
| Other | 6.5% | 10,000 | | - |
| Total market value of assets | | 279,000 | | 195,000 |
| Present value of scheme liabilities | | | | |
| - Funded | | (635,000) | | (535,000) |
| **Surplus/(deficit) in the same scheme** | | **(356,000)** | | **(340,000)** |

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

| | 31.8.15 | 31.8.14 |
|---|---|---|
| Discount rate for scheme liabilities | 3.9% | 3.9% |
| Expected return on scheme assets | 5.97% | 6.42% |
| Rate of increase in salaries | 3.7% | 3.6% |
| Inflation assumption (CPI) | 2.2% | 2.1% |
| Rate of increase in pensions | 2.2% | 2.1% |

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

| | **At 31 August 2015** | **At 31 August 2014** |
|---|---|---|
| **Retiring today** | | |
| Males | 23.4 | 23.3 |
| Females | 25.8 | 25.7 |
| **Retiring in 20 years** | | |
| Males | 25.6 | 25.5 |
| Females | 28.1 | 28 |

## 20. PENSION AND SIMILAR OBLIGATIONS - continued

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

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

| | 31.8.15 | 31.8.14 | 31.8.13 |
|---|---|---|---|
| | £ | £ | £ |
| **Defined benefit pension plans** | | | |
| Defined benefit obligation | (635,000) | (535,000) | (415,000) |
| Fair value of scheme assets | 279,000 | 195,000 | 131,000 |
| Deficit | (356,000) | (340,000) | (284,000) |
| Experience adjustments on scheme liabilities | - | (3,000) | - |
| Experience adjustments on scheme assets | 16,000 | (2,000) | 8,000 |

The estimated value of employer contributions for the period ended 31 August 2016 is £79,000.

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £86,000 loss (2014: £58,000 loss).

## 21. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

## 22. RELATED PARTY DISCLOSURES

There are no related party transactions during the year ended 31 August 2015 (2014: £Nil) which require disclosure.

Detailed Statement of Financial Activities
for the Year Ended 31 August 2015

| | 31.8.15<br>£ | 31.8.14<br>£ |
|---|---|---|
| **INCOMING RESOURCES** | | |
| **Voluntary income** | | |
| Grants | 74,439 | 9,400 |
| School trips etc | 39,679 | 29,017 |
| Other grants and payments | 12,322 | 2,247 |
| | 126,440 | 40,664 |
| **Activities for generating funds** | | |
| Fundraising events | 5,978 | - |
| Hire of facilities | - | 2,875 |
| Room and building hire | 12,764 | 17,777 |
| Catering income | 128,090 | 94,282 |
| | 146,832 | 114,934 |
| **Investment income** | | |
| Deposit account interest | 597 | 209 |
| **Incoming resources from charitable activities** | | |
| Grants | 1,801,875 | 1,778,915 |
| **Total incoming resources** | 2,075,744 | 1,934,722 |
| **RESOURCES EXPENDED** | | |
| **Charitable activities** | | |
| Wages | 835,932 | 772,603 |
| Social security | 62,917 | 57,003 |
| Pensions | 117,881 | 100,521 |
| Supply teacher costs | 34,780 | 13,855 |
| Compensation payments | - | 4,448 |
| Educational supplies | 107,773 | 91,580 |
| Examination fees | 21,145 | 35,397 |
| Staff development | 4,705 | 7,878 |
| Educational consultancy | 7,009 | 30,737 |
| Freehold property | 48,185 | 48,185 |
| Expected return on pension scheme assets | (12,000) | 19,000 |
| | 1,228,327 | 1,181,207 |
| **Governance costs** | | |
| Auditors' remuneration | 11,500 | 11,500 |
| Auditors' remuneration for non-audit work | - | 900 |
| Carried forward | 11,500 | 12,400 |

QEHC Academy Trust

Detailed Statement of Financial Activities
for the Year Ended 31 August 2015

| | 31.8.15<br>£ | 31.8.14<br>£ |
|---|---|---|
| **Governance costs** | | |
| Brought forward | 11,500 | 12,400 |
| Legal and professional fees | 1,232 | 350 |
| | 12,732 | 12,750 |
| **Support costs** | | |
| **Management** | | |
| Wages | 308,967 | 276,516 |
| Social security | 11,135 | 12,981 |
| Pensions | 49,127 | 37,650 |
| Compensation payments | - | 3,319 |
| Recruitment and support | 8,703 | 11,802 |
| Maintenance of premises and equipment | 101,896 | 89,501 |
| Cleaning | 2,350 | 2,019 |
| Rent and rates | 5,073 | 8,430 |
| Insurance | 23,699 | 25,136 |
| Catering | 60,672 | 56,028 |
| Improvements to property | 9,876 | 8,639 |
| Plant and machinery | 942 | 942 |
| Fixtures and fittings | 19,040 | 18,035 |
| Motor vehicles | 7,201 | 7,116 |
| Computer equipment | 14,818 | 7,699 |
| Other costs | 102,503 | 91,945 |
| | 726,002 | 657,758 |
| **Other** | | |
| Loss on sale of tangible fixed assets | 3,175 | 2,679 |
| **Total resources expended** | 1,970,236 | 1,854,394 |
| **Net income** | 105,508 | 80,328 |