

**REGISTERED COMPANY NUMBER: 08278808 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015  
FOR  
INNOVATION ENTERPRISE ACADEMY**



Howard Worth  
Chartered Accountants and  
Statutory Auditors  
Drake House  
Gadbrook Park  
Northwich  
Cheshire  
CW9 7RA

**INNOVATION ENTERPRISE ACADEMY**  
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**FOR THE YEAR ENDED 31 AUGUST 2015**

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**INNOVATION ENTERPRISE ACADEMY**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

<b>MEMBERS</b>	J K Woodroofe C McLeod I Hann
<b>TRUSTEES</b>	I Hann C McLeod Mrs L Scott J K Woodroofe Ms P A Wright (appointed 2/12/14)
<b>TRUST EXECUTIVE STAFF</b>	M Bacon (Lead Principal) I Kirkham (Accounting Officer and Company Secretary)
<b>REGISTERED OFFICE</b>	Wade Deacon High School Birchfield Road Widnes Cheshire WA8 7TD
<b>REGISTERED COMPANY NUMBER</b>	08278808 (England and Wales)
<b>SENIOR STATUTORY AUDITOR</b>	Stephen Grayson FCCA
<b>AUDITORS</b>	Howard Worth Chartered Accountants and Statutory Auditors Drake House Gadbrook Park Northwich Cheshire CW9 7RA
<b>SOLICITORS</b>	Business Services Group Hill Dickinson LLP No.1 St. Paul's Square Liverpool L3 9SJ
<b>BANKERS</b>	HSBC BANK PLC HBEU Cheshire Commercial Centre, 'Vista', St Davids Park, Ewloe, Chester, CH5 3DT Operating Branch Runcorn

**INNOVATION ENTERPRISE ACADEMY**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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The trustees present their strategic report for the year ended 31 August 2015.

**REVIEW OF BUSINESS**

The principal objective of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies, offering a broad and balanced curriculum. In setting the Trusts objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The current Trust Board of Directors are from a diverse range of backgrounds and each one has a different type of expertise to offer however they all have one thing in common and that is a commitment to an exceptional education where tradition is respected and innovation is encouraged. The vision is for every school in the Trust to be an outstanding school where every child receives an exceptional education.

As the Trust develops and grows, the Directors will have regard for the operational processes of the schools within the Trust and will make adjustments to both the structure and membership of the relevant bodies in order to ensure that the Trust can manage the schools in accordance within the required Ofsted framework and ensure that the core principles are sustained.

The membership of Innovation Enterprise Academy is currently:

- Wade Deacon High School 11-16 (converted 1st March 2013) Lead School. The Wade Deacon campus is located in Widnes on a large new build and refurbished site, which offers state of the art facilities both internally and externally. Capacity 1500 (Number on role Jan 15 1527)
- Widnes Academy 3-11 (converted 1st February 2015) Sponsored Academy. Widnes Academy is located in Widnes in a 3 storey Victorian style building. Capacity 210 (Number of role Jan 15 154)
- Hillside High School 11-16 (converted 1st March 2015) Sponsored Academy. Hillside High School is located in Bootle and combines mixture of 1930s and modern build on one campus. Capacity 970 (Number of role Jan 15 865)

Through its Lead School (Wade Deacon) the Trust holds Teaching School status. Teaching schools are outstanding schools that work with others to provide high-quality training and development to new and experienced school staff. They are part of the government's plan to give schools a central role in raising standards by developing a self-improving and sustainable school-led system.

The Trust through its Innovation Enterprise Alliance undertakes a cross-phase and cross-regional alliance with Wade Deacon High School as the lead school, supported by a number of strategic partners, who lead on or contribute to aspects of the provision.

We believe in giving every student the opportunity to develop his or her talents to the full and we expect every student to work very hard in order to achieve this. We are committed to an exceptional education where tradition is respected and innovation is encouraged. The academy is committed to training and the life-long learning of all our members of staff and the community. Students and staff work side-by-side with the latest technological developments to enhance further the quality of our teaching and learning.

Students are helped to develop real life solutions to real life problems, using industry standard equipment to achieve their goals. As a major contributor to the concept of lifelong learning, we are a school that makes a difference within our community. We achieve this by engaging in collaborative projects with our community partners and sharing our resources with them.

Throughout school, students are encouraged to take pride in themselves, their actions and their achievements. We have high expectations of students' academic work and the manner in which they conduct themselves around the school campus and in the community beyond. An orderly and disciplined environment is a key feature of our work in school.

The success of this is based on promoting and maintaining excellent standards of self-discipline, school uniform and the promotion of a sense of pride and belonging to our school.

**INNOVATION ENTERPRISE ACADEMY**  
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High levels of attendance are expected throughout each year in school so that everyone can take full advantage of the range of curricular and extracurricular opportunities available.

The success we achieve in the classroom is enhanced by a wide range of enrichment courses which are made available to all students. We encourage everyone to use part of their recreation time for participation in one or more of these opportunities. Clubs and societies, clinics and extra classes are all designed to broaden the experiences of our young people outside of their compulsory curriculum diet.

A full range of individual and team games is offered to boys and girls of all age groups and abilities, with team games represented in numerous County competitions. Recreation activities such as fitness programmes, self-defence classes, swimming and aerobics are available to complement the full range of competitive team sports.

We continue a long and successful tradition of Outdoor Education with students involved in activities including sailing, canoeing, climbing and abseiling. Where possible we provide students with the opportunity to participate in the Duke of Edinburgh Award Scheme.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks to the Trust are documented and managed using a risk management policy and a risk register which is regularly reviewed.

The main risks are seen as the loss of reputation through failing standards at the academies, falling student numbers, failure to safeguard our students, and failure on high profile school to school support commissions. Key controls in place to mitigate these risks are:

- An organisational structure with clearly defined roles, responsibilities and authorisation levels,
- Documented terms of reference for the committees and sub-committees of the Trust,
- Financial planning, budgeting and regular management reporting highlighting key areas of financial risk,
- Formal written and published policies for employees,
- Vetting procedures as required by legislation for the protection of the vulnerable, and
- Robust due diligence procedures in place for new contracts and commissions.

#### **ACHIEVEMENTS AND PERFORMANCE**

The Chief Executive Officer holds National Leader of Education status and this has enabled the Academy to influence the forming of curriculum policy through national engagement at a senior level.

The Accounting Officer and Company Secretary is accredited through the National College School Business Director programme and holds Fellow of the National Association of School Business Managers Status. This provides for high levels of accountability for strategic leadership and specialist knowledge across defined areas of the Trust and a commitment to a self-improving Trust through system leadership.

The Lead Principal is Lead of the Teaching School and has extensive experience in School to School support. The Academy Improvement Strategy is rooted in an ethos that creates the culture, attitude and aspiration necessary to secure successful outcomes for young people and prepare them effectively for life in modern Britain. Support is provided in proportion to the level of need within each academy as determined through the school's own self-evaluation judgements and the Trust's monitoring.

Reviewing the Academy Trusts priorities for the 12 month period, there were areas of great success and outstanding achievements for our staff and students.

- A successful assimilation of 1500+ students and staff into the new school building without impact to outcomes
- The successful sponsored conversion of 2 new Academies to join the Multi Academy trust

**INNOVATION ENTERPRISE ACADEMY**  
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- Successful growth of the teaching school and alliance:

- ITT - Teacher Training - There is a high quality ITT programme in place with collaboration in progress with others TSAs in training their students. The partnership number has increased significantly from 3 to 10 to greatly increase the revenue for the Alliance moving forward on successful recruitment of numbers. The IEA is in the NCTL upper percentile for recruitment and to date 100% of all trainees have graduated as outstanding or good with 100% employment rate.
- Developing Leadership - More than 50 members of staff have had access to quality leadership courses at all levels with IEA TSA Alliance becoming an affiliate hub to deliver NPQML, NPQSL, NPQH courses with the Lead Principal currently leasing on NPQH and Aspiring heads courses.
- CPD IMPACT - 30 CPD sessions were delivered last year with 91 staff attending 4 or more sessions. A successful INSET day was held with 100% (517 members of staff from a number of different schools) saying that their needs had been met. Staff from 3 partner schools attended 40% of the school weekly CPD Programme. Bespoke CPD is now offered to schools at all phases. CPD across the Local Authority is now published in a newsletter that is distributed electronically.
- School to School Support - The IEA worked with a number of schools last year through StSS bids including 2 secondary schools and 3 primary settings. Increased results or improved Ofsted grading were evidenced in all settings.
- Specialist Leaders of Education - A recruitment programme through the Alliance is in place to apply for SLE status with a rigorous process to interview candidates. Evidence shows positive deployments with pupil progress showing increases where deployment has taken place.
- DFE recognition as an academy sponsor has led to the sponsorship of two schools to join the Trust and appropriate support is in place to enable the Academies to grow and succeed.

**Key Performance Indicators**

Summary of school attainment with a comparison against national and local data.

	<b>5 A* - C (English &amp; Maths)</b>			<b>5 A* - C</b>		
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
England Average	59%	55%	53%*	82%	64%	TBC
Wade Deacon	77%	78%	72%	96%	83%	83%
Hillside	53%	48%	45%	87%	61%	62%

	<b>Ebacc</b>		
	<b>2013</b>	<b>2014</b>	<b>2015</b>
National Average	23%	24%	23%*
Wade Deacon	33%	47%	39%
Hillside	30%	22%	28%

Maximum of 2 equivalences used for all pupils.

\*= Provisional

	<b>Expected Level of Progress in English</b>			<b>Expected Level of Progress in Maths</b>		
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
National Average	69%	70%	TBC	70%	65%	TBC
Wade Deacon	76%	86%	77%*	86%	82%	79%*
Hillside	70%	75%	72%	55%	49%	46%

\*= Provisional

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	Expected Levels of Progress READING			Expected Levels of Progress WRITING			Expected Levels of Progress MATHS		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
National Average		88%	91%		91%	94%		88%	90%
Widnes Academy		94%	94%		100%	100%		94%	61%

	% L4+ Reading			% L4+ Writing			%L4+ Maths		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
National Average		89%	89%		85%	87%		86%	87%
Widnes Academy		89%	94%		83%	89%		89%	83%

**2013-14**  
**Attendance**

<i>Group</i>	<i>Presents</i>	<i>AEA</i>	<i>Authorised Absences</i>	<i>Unauthorised Absences</i>	<i>Possible</i>	<i>% Attend</i>	<i>PA</i>
<i>Wade Deacon</i>	<i>91.5</i>	<i>4</i>	<i>3.4</i>	<i>1.1</i>	<i>100</i>	<i>95.5</i>	<i>2.5%</i>
<i>Hillside</i>	<i>88.3</i>	<i>5.33</i>	<i>3.81</i>	<i>2.03</i>	<i>100</i>	<i>94.16</i>	<i>7.6%</i>
<i>Widnes Academy</i>	<i>94.5</i>	<i>0.4</i>	<i>3.8</i>	<i>1.3</i>	<i>100</i>	<i>96</i>	<i>0.8%</i>

**2014-15**  
**Attendance**

<b>Group</b>	<b>Presents</b>	<b>AEA</b>	<b>Authorised Absences</b>	<b>Unauthorised Absences</b>	<b>Possible</b>	<b>% Attend</b>	<b>PA</b>
Wade Deacon	91.8	4.1	3.1	1.1	100	95.9	2.5%
Hillside	88.82	4.65	4.14	2.39	100	93.47	9.9%
Widnes Academy	94.1	0.5	3.6	1.8	100	96	1.1%

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**Admissions**

Year Group	Number on Roll September 2015		Widnes Academy
	Wade Deacon	Hillside High	
N2			9
R			20
1			21
2			14
3			28
4			13
5			19
6			18
7	324	118	
8	319	154	
9	310	166	
10	308	182	
11	307	166	
TOTAL	1568	782	142

**Going Concern**

After making appropriate enquiries, the board of trustees 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.

**Financial Review**

The majority of the Trust and Academy income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA in the period ended 31st August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants from the EFA and other organisations. 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 restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.



**INNOVATION ENTERPRISE ACADEMY**  
**STRATEGIC REPORT**  
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During the year ended 31st August 2015, the total income excluding amounts transferred from academies on conversion and capital grants was £12,986,456. Total expenditure excluding depreciation and FRS17 pension charges was £12,310,033, giving a surplus on recurring revenue funds of £676,423. Total funds carried forward amount to £36,952,371. This is in line with the Trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income and expenditure in the period ended 31st August 2015 amounted to £97,975 and £Nil respectively.

At 31st August 2015 the net book value of fixed assets amounted to £40,235,817. The movements in fixed assets are shown in note 12 to the financial statements. The cost of fixed asset additions during the year amounted to £7,336,236 of which £6,457,309 was transferred from Hillside High School and Widnes Academy on conversion

#### **FUTURE DEVELOPMENTS**

The overall performance in this reporting period was extremely robust and as a consequence will directly reinforce the Trust's medium to long-term strategy. The Trust's main annual objectives for the next year are:

- To facilitate a smooth and effective transition to a further Trust High School
- To ensure the Academy Improvement Strategy that creates the culture, attitude and aspiration necessary to secure successful outcomes for young people is embedded into all Trust Schools.
- To build on the excellent reputation of our Academy.
- To grow the Teaching School and the strategic alliances in order to raise standards within the Trust and schools requiring support.
- To seek options for growth of the Trust in line with its strategic development plan.
- To strive for continuous improvement in examinations results and all indicators of performance in all of the Trust's academies.
- To increase numbers on roll at both Widnes Academy and Hillside High School (2017)
- To build adequate financial reserves to fund building and other investment needs

Key to success is the leadership and management of the Trust ensuring that high quality leaders are in place through a rigorous recruitment system and also identifying future leaders within the Academy members and supporting them through to middle and senior leadership opportunities to add to the strengths of the Trust and all its academies.

Excellent standards of behaviour will be maintained to create a well ordered community with learning and the support of students at the heart.

Teaching and learning will continue to have pace, purpose, variety and rigour. Students will be able to progress as a result of a suitable curriculum and relevant personalised programmes of study.

Staff will be confident practitioners with appropriate professional development opportunities. Educational outcomes in all performance indicators will be well above national averages and the Academies will be in the "high performing" category. The strategic development of the Academies will be effectively planned, monitored and supported by well-equipped and committed local governing bodies and the main board of Trustees.

#### **Reserves Policy**

The Trustees and Governors review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trusts current level of free reserves (total reserves less the amounts held in fixed asset reserve and pension fund reserve) is £1,267,554. The amount is kept secure for a time when it is needed to self-finance a scheme of major capital projects.

**INNOVATION ENTERPRISE ACADEMY**  
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The Trustees have decided to adopt a prudent approach to reserves and aim to build a group reserve of designated funds of at least 5% of annual income to safeguard against unforeseen circumstances, capital improvements or developments, late EFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the quality of education received at the academies within the Trust.

The current reserve is higher than would normally be expected due to historic savings and a large capital project due for completion in Autumn 2015. This building work is recognised on the financial statements as Assets under construction in the fixed assets note. The reserves will also be used to finance further construction work and to support work needed in future partner schools.

In addition the net liability due to the Trusts participation in the Local Government Pension Scheme (LGPS) amounts to £4,263,000 (2014 £1,236,000). 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. This guarantee provides comfort to the Trustees in the unlikely event of an academy closure.

**Investment Policy**

In accordance with the Articles of Association, the directors can deposit or invest funds not immediately required. It has been decided that cash balances are to be safeguarded by investing them in interest bearing current and deposit accounts with a recognised sound commercial bank, HSBC.

**FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

The main financial risks are mitigated through the employment of sound financial management and internal control processes. Balanced budgets are set for each of the academies within the Trust and limited budgets are further delegated to departments and faculties. Actual performance against agreed budgets is closely monitored by the Trust's central finance team and via regular (termly) meetings of the finance committee of each LGB.

Bank and cash reconciliations are carried out routinely and signed by the authorised officers of the Trust's central finance team. All orders and cheques are signed off by the finance team with appropriate segregation of duties in place. Fixed asset registers are in place and there are processes in place for the acquisition, adaptation and disposal of assets. Payroll is outsourced and checked by more than one individual each month. The appropriateness and integrity of internal controls is assessed and reported to the Trustees by the responsible officer and external auditors.

The security of data is administered by an in house team of IT professionals. Remaining risks are mitigated to a large extent via comprehensive insurance policies.

Approved by order of the board of trustees on 17 December 2015 and signed on its behalf by:

  
I Hann - Trustee

**INNOVATION ENTERPRISE ACADEMY**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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The trustees 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 trustees 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.

**COMMENCEMENT OF ACTIVITIES**

Certificate of Incorporation 2nd November 2012.

Multi Academy Trust operational from 1st March 2013

For the period 1st September 2014 to 31st August 2015 the trust operated as a Multi Academy Trust with one Primary (3-11) and two High Schools (11-16) serving the town of Widnes in the borough of Halton and Bootle in the Borough of Sefton.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

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 Directors undertake the strategic review of the Academy Trust and powers are delegated to local Governing Bodies.

**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 ceased 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.

**Trustees' indemnities**

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Professional indemnity insurance is in place to protect Trustees, Governors, and officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

**Principal activities**

The principal objective of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies, offering a broad and balanced curriculum. In setting the Trusts objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

**Recruitment and appointment of new trustees**

Consideration is given to the skills of Directors and Governors which would enhance the effectiveness of the Trust in line with the articles of association.

The appointment of Directors may be made by the Members passing a resolution as contained within the articles of association.

With regards to the appointment of parent and staff governors, procedures are in place for their nomination, election and appointment.

**INNOVATION ENTERPRISE ACADEMY**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Induction and training of new trustees**

New Trustees are inducted into the workings of the Academy, including policies and procedures, together with an appropriate training schedule depending upon their existing area of expertise.

**Organisational structure**

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust and Academies by the use of financial management information, making strategic decisions about the direction of the Trust and capital expenditure, making senior appointments, and approving the Annual Report and Financial Statements.

The Directors and Chief Executive Officer delegate the leadership and management of the Trust to the Lead Principal and Company Secretary. They are supported by an Executive Leadership Team (ELT) and central Operations team.

As at 31st August the MAT consists of three academies and a teaching school on a single academy but it is intended that the ELT will delegate responsibilities to the Senior Leadership Team (SLT) of each Academy. The level of delegation will be subject to assessment and review depending on the stage of performance and capability of each academy. The SLT, as appropriate to each Academy would normally consist of Principals, Vice Principals, Assistant Principals and Business Manager (or equivalent post). These leaders control the Trust and Academies at an executive level implementing the policies laid down by the Directors & Local Governing Bodies and reporting back to them. As a group the SLT is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts(excluding Principal).

Management teams will operate at each Academy and are responsible for the day to day operation of the Trust and the Academies, in particular organising the staff (teaching and non-teaching), facilities and students.

The Academy Board will meet at least each term with an appropriate meeting in each academic being used to hold the annual general meeting following the submission of accounts.

Local Governing bodies and committees meet on at least a termly basis and report relevant decisions to the Academy Board which ratifies appropriate decisions.

Roles and responsibilities of Trustees, governors, and senior managers are defined in the relevant Terms of Reference and Academy Scheme of Delegation.

**Wider network**

The Academy holds teaching school status and engages with a wider strategic alliance with partner schools to further the development of the teaching school and school to school support.

**INNOVATION ENTERPRISE ACADEMY**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Risk management**

The Trustees have assessed the major risks to which the Trust and the Academies are exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Trust 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 (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimize risk. Where significant financial risk still remains they have ensured that they have adequate insurance cover.

The key controls used by the Trust include:

- Formal agendas for all Directors and Governing Body including sub-committee meetings,
- Detailed and documented terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and clear lines of accountability and reporting,
- Formal written policies,
- Clear authorisation and approval levels,
- Vetting procedures as required by legislation,
- Reporting systems
- Independent assurance provided for Audit & Finance and Health & Safety

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The main objectives of the summarised below:

- To facilitate a smooth transition to Academy status
- To raise the standard of educational achievements of all pupils in the Trust's academies
- To ensure that every child enjoys the same high quality education in terms of resourcing, teaching and learning
- To improve the effectiveness of the Academies by keeping the curriculum and organisational structures under continual review
- To comply with all appropriate statutory and curriculum requirements
- To provide value for money for the funds expended
- To conduct the Trust and Academy business in accordance with the highest standards of integrity, probity and openness.

**INNOVATION ENTERPRISE ACADEMY**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**OBJECTIVES AND ACTIVITIES**

**Objectives, Strategies and Activities**

The Trusts' main strategy is to develop and maintain a culture of excellence across our organisation that continues to provide opportunities for our students.

Wade Deacon High School converted to 'academy' status in March 2013, founding the Innovation Enterprise Academy trust. This status was adopted because of our quest to continually improve the quality of learning and teaching for the benefit of all students. In addition, we are committed to training and the life-long learning of all our members of staff and the community. The Trust has now expanded to three schools with a Teaching School Status.

Students and staff work side-by-side with the latest technological developments to enhance further the quality of our teaching and learning. We help students to develop real life solutions to real life problems, using industry standard equipment to achieve their goals.

As a major contributor to the concept of lifelong learning, we are a Trust that makes a difference within our school Academy communities. We achieve this by engaging in collaborative projects with our community partners and sharing our resources with them.

Throughout our Academies, students are encouraged to take pride in themselves, their actions and their achievements. We have high expectations of students' academic work and the manner in which they conduct themselves around their Academy campus and in the community beyond. An orderly and disciplined environment is a key feature of our work in the Trust. The success of this is based on promoting and maintaining excellent standards of self-discipline, school uniform and the promotion of a sense of pride and belonging to our Trust and its Academies.

High levels of attendance are expected throughout each year group so that everyone can take full advantage of the range of curricular and extracurricular opportunities available.

Levels of attainment are most easily raised when students attend all lessons, allowing continuity of the teaching and learning environment.

Regular extended learning is an integral part of the learning culture of the school. Tasks set are intended to broaden and develop an individual's scope for independent learning as well as reinforcing work completed during the school day.


**Public benefit**

The Trust's purpose is to advance, for public benefit, education as described in principal activities above. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

**AUDITORS**

The auditors, Howard Worth, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 17 December 2015 and signed on its behalf by:

  
I Hann - Trustee

**INNOVATION ENTERPRISE ACADEMY**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**Scope of Responsibility**

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

The board of the trustees has delegated the day-to-day responsibility to the Company Secretary, who as accounting officer, is responsible 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 Innovation Enterprise Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
I Hann	5	5
J K Woodroffe	5	5
C McLeod	4	5
Mrs L Scott	5	5
Ms P A Wright (appointed 2/12/14)	5	5

**Governing Body Attendance (Committee & Full Governors)**

**Local Governing Bodies:**

Wade Deacon High School

J Woodroffe (Chairman)

L Scott (Vice Chairman)

D Findon

C. McLeod

D. McNulty

L McGuire

H. Ziman

P Jones

C Fone

A Brothers

B Fisher

M Bacon (Lead Principal)

Hillside High School

J Rimmer (Chairman)

D Walker (Vice Chairman)

R Webb

S Lees

S Wardale

D Riley

P Sapple

R Brassey

A Ryan (Principal)

**INNOVATION ENTERPRISE ACADEMY**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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Widnes Academy

J Woodroofe (Chairman)  
L Scott (Vice Chairman)  
J Duff  
V Melia  
L Fallon  
K Highcock (Principal)

<b>2014 - 2015</b>	<b>No. of meetings attended</b>
<b>Wade Deacon High</b>	<b>Sept - Aug</b>
Andy Brothers	7
Brian Fisher	4
Chris Fone	7
Colin McLeod*	4
Damien McNulty	4
David Findon	5
Harry Ziman	4
Jim Hockenhull	1
John Woodroofe	7
Linda Scott	7
Louise McGuire	3
Michele Bacon	7
Pam Jones	4

<b>2014 - 2015</b>	<b>No. of meetings attended</b>
<b>Hillside High</b>	<b>Mar - Aug</b>
Richard Brassey	1
Sharon Lees	1
Colin McLeod	1
David Riley	2
Jim Rimmer	2
Amanda Ryan	2
Paul Sapple	2
David Walker	2
Steve Wardale	2
Ray Webb	1

<b>2014 - 2015</b>	<b>No. of meetings attended</b>
<b>Widnes Academy</b>	<b>Jan - Aug</b>
Ian Kirkham*	5
Jeremy Duff	4
John Woodroofe	4
Karen Highcock	5
Laura Fallon	5
Linda Scott	5
Lynne Fox	4
Vicky Melia	3

\*Trust representative

The Finance & Audit Committee which is a committee of the Governing Body, is responsible for overseeing the financial affairs of the Academy and reporting to the Governing Body. The Finance & Audit Committee meets at least once a term or more frequently should the need arise. The main responsibilities and issues dealt with during the period were as follows:

- The initial review and authorisation of the annual budget;



**INNOVATION ENTERPRISE ACADEMY**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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- The regular monitoring of actual expenditure and income against budget;
- Ensuring the annual financial statements are produced in accordance with the requirements of the Companies Act 2006, the Charities SORP, the Academies Accounts Direction and other guidance issued by the EFA;
- Ensuring that all of the financial returns required by the EFA are correctly prepared and submitted on time;
- Capital project monitoring, procurement and reporting;
- Authorising changes to the Academy's personnel establishment;
- Reviewing the reports of the Responsible officer on the effectiveness of the financial procedures and internal controls, which are also reported to the full Governing Body.

**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:

1. The economic, efficient and effective use of all resources to produce better educational results.
2. The avoidance of waste and extravagance.
3. The prudent and economical administration of the organisation.
4. The establishment of and maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting.
5. Ensuring all financial transactions represent value for money.

**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 Innovation Enterprise Academy for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

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 Innovation Enterprise Academy 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 trustees 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 trustees 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 trustees.

**INNOVATION ENTERPRISE ACADEMY**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**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 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 Trust has appointed a separate division of Howard Worth Chartered Accountants as Responsible Officer (RO) to undertake the role of an internal audit function. This function is carried out across all Trust schools and reports provided are shared with the Trust and relevant LGB members. Any actions required are agreed through this process. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

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

1. Testing of payroll systems
2. Testing of purchase systems
3. Testing of bank controls & bank reconciliations
4. Review of fixed assets to ensure the policies are being adhered to
5. Review of higher value purchases
6. Review of severance payments
7. Review of lease agreements
8. Review of related party transactions

**Review of Effectiveness**

As accounting officer, Mr I Kirkham 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 senior leaders and managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

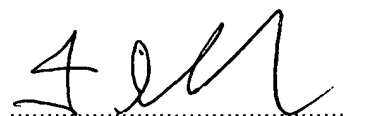
The accounting officer has been advised of the implications of the result of their review of the system of internal control and a plan to address areas for improvement and ensure continuous improvement of the system is in place.

**INNOVATION ENTERPRISE ACADEMY**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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Approved by order of the members of the board of trustees on 17 December 2015 and signed on its behalf by:

  
I Hann - Trustee

  
I Kirkham - Accounting Officer

**INNOVATION ENTERPRISE ACADEMY**

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

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As accounting officer of Innovation Enterprise Academy I have considered my responsibility to notify the charitable company 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 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 trustees 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 trustees and EFA.



I Kirkham - Accounting Officer

Date: 17 December 2015

## INNOVATION ENTERPRISE ACADEMY

### STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2015

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The trustees (who act as governors of Innovation Enterprise Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees 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 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 trustees 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 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 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 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 the EFA/DfE have been applied for the purposes intended.

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.

Approved by order of the board of trustees on 17 December 2015 and signed on it's behalf by:

  
I Hamn - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INNOVATION ENTERPRISE ACADEMY**

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We have audited the financial statements of Innovation Enterprise Academy for the year ended 31 August 2015 on pages twenty four to fifty three. 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 trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page seventeen, the trustees (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 trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Trustees 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 Strategic Report and Report of the Trustees 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  
INNOVATION ENTERPRISE ACADEMY**

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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.



Stephen Grayson FCCA (Senior Statutory Auditor)  
for and on behalf of Howard Worth  
Chartered Accountants and  
Statutory Auditors  
Drake House  
Gadbrook Park  
Northwich  
Cheshire  
CW9 7RA

Date: 17 December 2015

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO INNOVATION ENTERPRISE ACADEMY AND THE EDUCATION FUNDING AGENCY**

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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 Innovation Enterprise Academy 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 Innovation Enterprise Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Innovation Enterprise Academy 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 Innovation Enterprise Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Innovation Enterprise Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Innovation Enterprise Academy'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 2013 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 matter 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 conclusion includes confirmation of the following:-

1. There is a policy for receiving hospitality gifts, awards & prizes and that this is communicated to all staff. Confirmation that any such transactions are in line with the policy.
2. Staff severance payments outside the contractual obligations are approved by the Secretary of State.
3. An up to date register of Trustees business interests is maintained.
4. Any payments to Trustees are in line with those in the Articles and funding agreement.
5. A competitive tendering process is in place for high value purchases.
6. Any borrowing is in line with the Funding Agreement.
7. The appropriate consent from the EFA is obtained for any operating leases of more than 3 years.



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
INNOVATION ENTERPRISE ACADEMY AND THE EDUCATION FUNDING AGENCY**

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8. Purchasing is in line with the set levels of delegated authority. Obtained an up to date list of authorised departmental personnel with the limits of the expenditure for each person.
9. The nature of the expenditure is reasonable given the objects of the school to provide education.
10. The funds position is under control and that the Academy is not generating an unsustainable deficit.
11. There are sufficient controls over procedures for changing payment details to suppliers.
12. The nature of credit card and petty cash expenditure is reasonable and in line with the objects of the Academy.

**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.



Howard Worth  
Drake House  
Gadbrook Park  
Northwich  
Cheshire  
CW9 7RA

Date: 17 December 2015

**INNOVATION ENTERPRISE ACADEMY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

				Year Ended 31/8/15	Period 1/3/13 to 31/8/14
	Note	Unrestricted fund £	Restricted funds £	Fixed Asset Restricted Funds £	Total funds £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income - Transfer from Local Authority on conversion		-	(3,187,000)	6,546,741	3,359,741
Activities for generating funds	2	8,618	-	-	8,618
Investment income	3	3,456	-	-	3,456
<b>Incoming resources from charitable activities</b>					
Academy's educational operations	4	85,901	12,888,481	40,000	13,014,382
<b>Total incoming resources</b>		97,975	9,701,481	6,584,741	16,386,197
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>					
Academy's educational operations	7	-	12,243,640	1,283,592	13,527,232
<b>Governance costs</b>	8	-	130,393	-	130,393
<b>Total resources expended</b>	6	-	12,374,033	1,283,592	13,657,625
<b>NET INCOMING/(OUTGOING) RESOURCES</b>					
		97,975	(2,672,552)	5,303,149	2,728,572
<b>Gross transfers between funds</b>	18	-	(912,698)	912,698	-
<b>Net incoming resources before other recognised gains and losses</b>		97,975	(3,585,250)	6,215,847	2,728,572
<b>Other recognised gains/losses</b>					
Actuarial gains/losses on defined benefit schemes		-	271,000	-	271,000
<b>Net movement in funds</b>		97,975	(3,314,250)	6,215,847	2,999,572

The notes form part of these financial statements

**INNOVATION ENTERPRISE ACADEMY**  
**STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

				Year Ended 31/8/15	Period 1/3/13 to 31/8/14
	Note	Unrestricted fund £	Restricted funds £	Fixed Asset Restricted Funds £	Total funds £
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		12,565	208,264	33,731,970	33,952,799
					-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>110,540</u>	<u>(3,105,986)</u>	<u>39,947,817</u>	<u>36,952,371</u>
					<u>33,952,799</u>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

**INNOVATION ENTERPRISE ACADEMY**

**BALANCE SHEET  
AT 31 AUGUST 2015**

					31/8/15	31/8/14
	Notes	Unrestricted fund £	Restricted funds £	Fixed Asset Restricted Funds £	Total funds £	Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	12	-	-	40,235,817	40,235,817	34,183,173
<b>CURRENT ASSETS</b>						
Debtors	13	-	387,883	-	387,883	124,745
Cash at bank and in hand		<u>110,540</u>	<u>1,588,939</u>	<u>-</u>	<u>1,699,479</u>	<u>1,525,783</u>
		110,540	1,976,822	-	2,087,362	1,650,528
<b>CREDITORS</b>						
Amounts falling due within one year	14	-	(819,808)	(115,200)	(935,008)	(350,402)
<b>NET CURRENT ASSETS</b>		<u>110,540</u>	<u>1,157,014</u>	<u>(115,200)</u>	<u>1,152,354</u>	<u>1,300,126</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		110,540	1,157,014	40,120,617	41,388,171	35,483,299
<b>CREDITORS</b>						
Amounts falling due after more than one year	15	-	-	(172,800)	(172,800)	(294,500)
<b>PENSION LIABILITY</b>	19	-	(4,263,000)	-	(4,263,000)	(1,236,000)
<b>NET ASSETS</b>		<u>110,540</u>	<u>(3,105,986)</u>	<u>39,947,817</u>	<u>36,952,371</u>	<u>33,952,799</u>
<b>FUNDS</b>	18					
Unrestricted funds:						
General fund					110,540	12,565
Restricted funds:						
Fixed assets restricted					39,947,817	33,731,970
Other DfE/EFA grants					681,963	1,003,713
General annual grant					440,551	440,551
Other restricted funds					34,500	-
Pension reserve					<u>(4,263,000)</u>	<u>(1,236,000)</u>
					<u>36,841,831</u>	<u>33,940,234</u>
<b>TOTAL FUNDS</b>					<u>36,952,371</u>	<u>33,952,799</u>

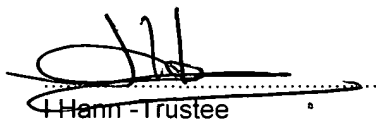
The notes form part of these financial statements

**INNOVATION ENTERPRISE ACADEMY**

**BALANCE SHEET - CONTINUED  
AT 31 AUGUST 2015**

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The financial statements were approved by the Board of Trustees on 17 December 2015 and were signed on its behalf by:

  
T. Hann - Trustee

The notes form part of these financial statements

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**INNOVATION ENTERPRISE ACADEMY**

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

		Year Ended 31/8/15 £	Period 1/3/13 to 31/8/14 £
<b>Net cash inflow from operating activities</b>	Notes 1	1,010,084	1,087,658
<b>Cash transferred on conversion to an academy</b>		-	967,013
<b>Returns on investments and servicing of finance</b>	2	1,738	800
<b>Capital expenditure and financial investment</b>	2	(834,211)	(380,613)
		<u>177,611</u>	<u>1,674,858</u>
<b>Financing</b>	2	(120,500)	(161,500)
<b>(Decrease)/increase in cash in the period</b>		<u>57,111</u>	<u>1,513,358</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Increase in cash in the period		57,111	1,513,358
Cash (outflow)/inflow from (decrease)/increase in debt and lease financing		<u>120,500</u>	<u>(408,500)</u>
Change in net debt resulting from cash flows		<u>177,611</u>	<u>1,104,858</u>
<b>Movement in net debt in the period</b>		177,611	1,104,858
<b>Net debt at 1 September</b>		<u>1,104,858</u>	<u>-</u>
<b>Net debt at 31 August</b>		<u>1,282,469</u>	<u>1,104,858</u>

The notes form part of these financial statements

**INNOVATION ENTERPRISE ACADEMY**  
**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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

	Year Ended 31/8/15 £	Period 1/3/13 to 31/8/14 £
Net incoming resources	2,728,572	34,651,799
Depreciation charges	1,283,592	1,564,281
Transfer from Local Authority on conversion	(3,315,025)	(35,167,749)
Interest received	(3,456)	(2,164)
Finance costs	1,718	1,364
Increase in debtors	(263,138)	(124,745)
Increase in creditors	466,821	164,872
Difference between pension charge and cash contributions	<u>111,000</u>	<u>-</u>
<b>Net cash inflow from operating activities</b>	<u><u>1,010,084</u></u>	<u><u>1,087,658</u></u>

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

	Year Ended 31/8/15 £	Period 1/3/13 to 31/8/14 £
<b>Returns on investments and servicing of finance</b>		
Interest received	3,456	2,164
Finance costs	<u>(1,718)</u>	<u>(1,364)</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<u><u>1,738</u></u>	<u><u>800</u></u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<u>(834,211)</u>	<u>(380,613)</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<u><u>(834,211)</u></u>	<u><u>(380,613)</u></u>
<b>Financing</b>		
Loan repayments in year	<u>(57,111)</u>	<u>(161,500)</u>
<b>Net cash outflow from financing</b>	<u><u>(57,111)</u></u>	<u><u>(161,500)</u></u>

**INNOVATION ENTERPRISE ACADEMY**  
**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1/9/14 £	Cash flow £	At 31/8/15 £
Net cash:			
Cash at bank and in hand	1,525,783	173,696	1,699,479
Bank overdrafts	<u>(12,425)</u>	<u>(116,585)</u>	<u>(129,010)</u>
	<u>1,513,358</u>	<u>57,111</u>	<u>1,570,469</u>
Debt:			
Debts falling due within one year	(114,000)	(1,200)	(115,200)
Debts falling due after one year	<u>(294,500)</u>	<u>121,700</u>	<u>(172,800)</u>
	<u>(408,500)</u>	<u>120,500</u>	<u>(288,000)</u>
Total	<u>1,104,858</u>	<u>177,611</u>	<u>1,282,469</u>



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

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**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

**Going concern**

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

**Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the academy trust 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 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.

**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.

**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**

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 trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

## INNOVATION ENTERPRISE ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

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#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% on cost
Assets under construction	- not provided
Plant and machinery	- 20% on cost and 10% on cost
Computer equipment	- 20% on cost and 10% on cost

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Assets in the course of construction are included at cost. Depreciation on 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.

##### **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.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

## INNOVATION ENTERPRISE ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

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#### 1. ACCOUNTING POLICIES - continued

##### **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 28, 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.

**INNOVATION ENTERPRISE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**2. ACTIVITIES FOR GENERATING FUNDS**

	Year Ended 31/8/15 £	Period 1/3/13 to 31/8/14 £
Hire of facilities	<u>8,618</u>	<u>10,401</u>
	<u>8,618</u>	<u>10,401</u>

**3. INVESTMENT INCOME**

	Year Ended 31/8/15 £	Period 1/3/13 to 31/8/14 £
Deposit account interest	<u>3,456</u>	<u>2,164</u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/15 Total funds £	Period 1/3/13 to 31/8/14 Total funds £
Other education income	-	213,315	213,315	26,782
Teacher training income	-	141,476	141,476	22,815
Professional services income	-	85,901	85,901	39,920
Grants	-	<u>12,573,690</u>	<u>12,573,690</u>	<u>13,621,216</u>
	-	<u>13,014,382</u>	<u>13,014,382</u>	<u>13,710,733</u>

**INNOVATION ENTERPRISE ACADEMY**

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

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued**

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/15 Total funds £	Period 1/3/13 to 31/8/14 Total funds £
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	-	11,329,335	11,329,335	12,705,598
Other EFA grants	-	<u>1,064,887</u>	<u>1,064,887</u>	<u>682,315</u>
	-	12,394,222	12,394,222	13,427,833
<b>DfE/EFA capital grant</b>				
EFA Capital grant	-	40,000	40,000	59,182
<b>Other government grant</b>				
Halton Borough Council grants	-	120,890	120,890	115,667
<b>Other restricted funds</b>				
Other restricted funds	-	<u>18,578</u>	<u>18,578</u>	<u>58,454</u>
	-	<u>12,573,690</u>	<u>12,573,690</u>	<u>13,621,216</u>

**6. RESOURCES EXPENDED**

	Staff costs £	Non-pay expenditure Premises £	Other costs £	Year Ended 31/8/15 Total £	Period 1/3/13 to 31/8/14 Total £
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	7,651,884	688,970	1,675,691	10,016,545	10,783,838
Allocated support costs	<u>1,532,086</u>	<u>854,098</u>	<u>1,124,503</u>	<u>3,510,687</u>	<u>3,359,827</u>
	9,183,970	1,543,068	2,800,194	13,527,232	14,143,665
Governance costs including allocated support costs	-	-	<u>130,393</u>	<u>130,393</u>	<u>95,582</u>
	<u>9,183,970</u>	<u>1,543,068</u>	<u>2,930,587</u>	<u>13,657,625</u>	<u>14,239,247</u>

**INNOVATION ENTERPRISE ACADEMY**

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

**6. RESOURCES EXPENDED - continued**

Net resources are stated after charging/(crediting):

	Year Ended 31/8/15 £	Period 1/3/13 to 31/8/14 £
Auditors' remuneration	9,750	8,000
Depreciation - owned assets	1,283,592	1,564,281
Hire of plant and machinery	-	20,931
Other operating leases	<u>161,619</u>	<u>177,377</u>

Included in expenditure is the following transaction.

	£
Financial loss as a result of a telephone tolling fraud	<u>20,000</u>

The trust has since reviewed security and taken additional insurance against such a fraud re-occurring.

**7. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/15 Total funds £	Period 1/3/13 to 31/8/14 Total funds £
<b>Direct costs</b>				
Teaching and educational support staff		7,651,884	7,651,884	8,315,572
Depreciation	-	1,283,592	1,283,592	1,564,281
Educational supplies	-	487,359	487,359	304,191
Examination fees	-	156,670	156,670	222,493
Staff development	-	51,760	51,760	54,946
Goods and services	-	385,280	385,280	262,520
Other direct costs	-	-	-	<u>59,835</u>
	-	10,016,645	10,016,545	10,783,838

**INNOVATION ENTERPRISE ACADEMY**

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

**7. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued**

**Allocated support costs**

Support staff costs	-	1,532,086	1,532,086	1,537,336
Technology costs	-	156,315	156,315	260,955
Recruitment and support	-	40,138	40,138	65,394
Maintenance of premises and equipment	-	169,764	169,764	281,590
School to school support	-	146,180	146,180	41,700
Rent and rates	-	151,767	151,767	139,980
Energy costs	-	257,589	257,589	184,977
Insurance	-	126,743	126,743	108,086
Security and transport	-	2,055	2,055	29,424
Catering	-	484,483	484,483	570,548
Other support costs	-	443,567	443,567	139,837
	-	3,510,687	3,510,687	3,359,827
	-	<u>13,527,232</u>	<u>13,527,232</u>	<u>14,143,665</u>

**8. GOVERNANCE COSTS**

	Year Ended 31/8/15 £	Period 1/3/13 to 31/8/14 £
Accountancy	643	1,901
Auditors' remuneration	9,750	8,000
Legal & professional	120,000	84,071
Training	-	1,610
	<u>130,393</u>	<u>95,582</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 August 2015 nor for the period ended 31 August 2014.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 August 2015 nor for the period ended 31 August 2014.

**INNOVATION ENTERPRISE ACADEMY**

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

**10. STAFF COSTS**

	Year Ended 31/8/15 £	Period 1/3/13 to 31/8/14 £
Wages and salaries	7,331,432	8,043,308
Social security costs	631,357	574,188
Other pension costs	<u>979,200</u>	<u>1,115,684</u>
	8,941,989	9,733,180
Supply teacher costs	198,374	66,062
Other staff costs	7,683	15,501
External tutors	<u>35,924</u>	<u>38,165</u>
	<u>9,183,970</u>	<u>9,852,908</u>

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:

	Year Ended 31/8/15	Period 1/3/13 to 31/8/14
Teachers	175	122
Administration & support	131	42
Management	<u>16</u>	<u>16</u>
	<u>322</u>	<u>180</u>

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

	Year Ended 31/8/15	Period 1/3/13 to 31/8/14
£60,001 - £65,000	3	1
£65,001 - £70,000	2	2
£75,001 - £80,000	1	-
£80,001 - £85,000	1	-
£95,001 - £100,000	1	-
£130,001 - £140,000	<u>-</u>	<u>1</u>
	<u>8</u>	<u>4</u>

**11. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,200 (2014 £1,085). The cost of this insurance is included in the total insurance cost.



**INNOVATION ENTERPRISE ACADEMY**

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

**12. TANGIBLE FIXED ASSETS**

	Long leasehold £	Assets under construction £	Plant and machinery £
<b>COST</b>			
At 1 September 2014	32,634,214	244,227	1,687,328
Additions	5,596,339	386,771	795,375
Reclassification	<u>244,227</u>	<u>(244,227)</u>	<u>-</u>
At 31 August 2015	<u>38,474,780</u>	<u>386,771</u>	<u>2,482,703</u>
<b>DEPRECIATION</b>			
At 1 September 2014	861,000	-	443,502
Charge for year	<u>688,970</u>	<u>-</u>	<u>325,599</u>
At 31 August 2015	<u>1,549,970</u>	<u>-</u>	<u>769,101</u>
<b>NET BOOK VALUE</b>			
At 31 August 2015	<u>36,924,810</u>	<u>386,771</u>	<u>1,713,602</u>
At 31 August 2014	<u>31,773,214</u>	<u>244,227</u>	<u>1,243,826</u>
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 September 2014	-	1,181,685	35,747,454
Additions	15,000	542,751	7,336,236
Reclassification	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2015	<u>15,000</u>	<u>1,724,436</u>	<u>43,083,690</u>
<b>DEPRECIATION</b>			
At 1 September 2014	-	259,779	1,564,281
Charge for year	<u>3,750</u>	<u>265,273</u>	<u>1,283,592</u>
At 31 August 2015	<u>3,750</u>	<u>525,052</u>	<u>2,847,873</u>
<b>NET BOOK VALUE</b>			
At 31 August 2015	<u>11,250</u>	<u>1,199,384</u>	<u>40,235,817</u>
At 31 August 2014	<u>-</u>	<u>921,906</u>	<u>34,183,173</u>

**INNOVATION ENTERPRISE ACADEMY**

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

**12. TANGIBLE FIXED ASSETS - continued**

During the year the following additions were made to long leasehold property:

	£
Widnes Academy – long leasehold donated to the trust	836,000
Hillside High School – long leasehold donated to the trust	4,450,000
The Innovation Enterprise Centre financed from the trust's capital reserves	<u>554,566</u>
	<u>5,840,566</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/8/15	31/8/14
	£	£
Other debtors	22,296	31,500
VAT	69,035	93,245
Prepayments and accrued income	<u>296,552</u>	<u>-</u>
	<u>387,883</u>	<u>124,745</u>

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

	31/8/15	31/8/14
	£	£
Bank loans and overdrafts (see note 16)	129,010	12,425
Other loans (see note 16)	115,200	114,000
Trade creditors	334,007	58,063
School fund	139,652	56,955
Accruals and deferred income	<u>217,139</u>	<u>108,959</u>
	<u>935,008</u>	<u>350,402</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31/8/15	31/8/14
	£	£
Other loans (see note 16)	<u>172,800</u>	<u>294,500</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	31/8/15	31/8/14
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	129,010	12,425
Other loans	<u>115,200</u>	<u>114,000</u>
	<u>244,210</u>	<u>126,425</u>

**INNOVATION ENTERPRISE ACADEMY**

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

**16. LOANS - continued**

Amounts falling between one and two years:

Other loans - 1-2 years	<u>115,200</u>	<u>114,000</u>
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Amounts falling due between two and five years:

Other loans - 2-5 years	<u>57,600</u>	<u>180,500</u>
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**17. 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:		
In less than one year	30,743	-
Between one and five years	<u>7,017</u>	<u>41,176</u>

**18. MOVEMENT IN FUNDS**

	At 1/9/14 £	Net movement in funds £	Transfers between funds £	At 31/8/15 £
<b>Unrestricted funds</b>				
General fund	12,565	97,975	-	110,540
<b>Restricted funds</b>				
General annual grant	440,551	-	-	440,551
Other DfE/EFA grants	1,003,713	590,948	(912,698)	681,963
DfE/EFA capital grants	33,731,970	5,303,149	912,698	39,947,817
Other restricted income	-	34,500		34,500
Pension reserve	(1,236,000)	(3,027,000)	-	(4,263,000)
	<u>33,940,234</u>	<u>2,903,597</u>	<u>-</u>	<u>36,841,831</u>
<b>TOTAL FUNDS</b>	<u>33,952,799</u>	<u>3,001,572</u>	<u>-</u>	<u>36,952,371</u>

**NOVATION ENTERPRISE ACADEMY**

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

**18. 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 £
<b>Unrestricted funds</b>				
General fund	97,975	-	-	97,975
<b>Restricted funds</b>				
General annual grant	11,329,335	(11,329,335)	-	-
Other DfE/EFA grants	1,204,355	(613,407)	-	590,948
Other restricted income	354,791	(320,291)	-	34,500
DfE/EFA capital grants	6,586,741	(1,283,592)	-	5,303,149
Pension reserve	(3,187,000)	(111,000)	271,000	(3,027,000)
	<u>3,315,025</u>	<u>(13,657,625)</u>	<u>271,000</u>	<u>2,901,597</u>
<b>TOTAL FUNDS</b>	<u>16,386,197</u>	<u>(13,657,625)</u>	<u>271,000</u>	<u>2,999,572</u>

**Nature of material funds**

**General fund**

Represents amounts derived from the hire of facilities, the provision of educational based services and investment income.

**General Annual Grant**

This represents the balance remaining from core funding provided by the EFA for the schools core educational activities.

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

**Pension Reserve**

This is the Local Government Pension Scheme deficit attributable to the school and is derived from the reports of the actuaries produced as at 31st August 2015.

**DfE/EFA Capital Grant**

This represents the value of fixed assets purchased from specific capital grants and from transfers from the local authorities on conversion to academies. The assets underlying the fund are the school's furniture, fixtures & fittings and computer equipment offset by a capital loan balance inherited on the conversion of Wade Deacon.

**Other DfE/EFA Grant**

This represents the balance remaining from other funding provided by the EFA/DfE for the schools educational activities.

**INNOVATION ENTERPRISE ACADEMY**

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

**18. MOVEMENT IN FUNDS - continued**

**Transfers between funds**

The transfer between funds represents the amount of capital expenditure funded by capital and revenue grants brought forward in the other DfE/Efa fund balance.

**Analysis of academies funds balance**

Fund balances at 31 August 2015 were allocated as follows:

	£
Wade Deacon Academy	1,165,122
Hillside High	(88,667)
Widnes Academy	167,155
Central Services	<u>23,944</u>
	1,267,554
 Fixed assets funds	 39,947,817
Pension fund	<u>(4,263,000)</u>
 Total	 <u>36,952,371</u>

**Analysis of academies by cost**

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

	Teaching & Educational Support Staff costs £	Other Support Staff Costs £	Educational Supplies £	Other costs (Excluding Depreciation) £	Total £
Wade Deacon Academy	5,642,000	827,149	776,326	1,538,806	8,784,281
Hillside High	1,767,712	412,987	292,085	299,371	2,772,155
Widnes Academy	242,172	76,950	12,658	68,424	400,204
Central Services	<u>-</u>	<u>215,000</u>	<u>-</u>	<u>72,000</u>	<u>287,000</u>
	<u>7,651,884</u>	<u>1,532,086</u>	<u>1,081,069</u>	<u>1,978,601</u>	<u>12,243,640</u>

## INNOVATION ENTERPRISE ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

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#### 19. PENSION AND SIMILAR OBLIGATIONS

##### **Teachers' pension scheme**

##### **Local government pension scheme**

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West & Chester Council (Wade Deacon and Widnes Academy) and Merseyside Council (Hillside High). 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%

**INNOVATION ENTERPRISE ACADEMY**

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

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**19. PENSION AND SIMILAR OBLIGATIONS - continued**

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 £709,440.

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total employers contribution made for the year ended 31 August 2015 was £322,684. The agreed contribution rates for future years are 21.8% for employers and from 5.5% to 12.5% 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.

**INNOVATION ENTERPRISE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

**Financial assumptions - Wade Deacon & Widnes Academy (2015 only)**

Principal actuarial assumptions at the balance sheet date:

	31/8/15 % p.a	31/8/14 % p.a
Inflation/pension increase rate	2.7%	2.7%
Salary increase rate	3.6%	3.5%
Expected return on assets	3.8%	5.2%
Discount rate	3.8%	3.7%

**Financial assumptions - Hillside High**

Principal actuarial assumptions at the balance sheet date:

	31/8/15 % p.a
Inflation/pension increase rate	2.3%
Salary increase rate	3.8%
Expected return on assets	see note
Discount rate	4.0%

Note: Expected return on assets for the Hillside High pension scheme is not available.

**Mortality**

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

The assumed life expectations on retirement age 65 are:

<b>At 31 August 2015 and 31 August 2014:</b>	<b>Males</b>	<b>Females</b>
Current pensioners	22.3 years	24.4 years
Future pensioners	24.1 years	26.7 years

**Breakdown of expected return by category of assets - Wade Deacon & Widnes Academy (2015 only)**

	31/8/15 % p.a	31/8/14 % p.a
Equities	3.8%	6.3%
Bonds	3.8%	3.4%
Property	3.8%	4.5%
Cash	3.8%	3.3%

**Breakdown of expected return by category of assets - Hillside High**

Expected return on assets for the Hillside High pension scheme is not available.



**INNOVATION ENTERPRISE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

**Fair value of employer assets - Wade Deacon & Widnes Academy**

	31/8/15 £'000	31/8/14 £'000
Equities	1,418	1,310
Bonds	1,207	458
Property	272	153
Cash	<u>121</u>	<u>262</u>
Total	<u><u>3,018</u></u>	<u><u>2,183</u></u>

The above asset values at 31st August 2015 are at a bid value as required under FRS 17.

**Fair value of employer assets - Hillside High**

	31/8/15 £'000
Equities	129
Bonds	41
Property	18
Cash	6
Other	<u>20</u>
Total	<u><u>214</u></u>

The above asset values at 31st August 2015 are at a bid value as required under FRS 17.

**The amounts recognised in the balance sheet are as follows - Wade Deacon & Widnes Academy**

	31/8/15 £'000	31/8/14 £'000
Fair value of employer assets	3,018	2,183
Present value of funded liabilities	<u>(4,400)</u>	<u>(3,419)</u>
Net under funded plans	(1,382)	(1,236)
Present value of unfunded liabilities	-	-
Unrecognised past service costs	<u>-</u>	<u>-</u>
Amount included in the balance sheet as liabilities	<u><u>(1,382)</u></u>	<u><u>(1,236)</u></u>
Net liabilities	<u><u>(1,382)</u></u>	<u><u>(1,236)</u></u>

**INNOVATION ENTERPRISE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**19. PENSION AND SIMILAR OBLIGATIONS - continued**

**The amounts recognised in the balance sheet are as follows - Hillside High**

	31/8/15 £'000
Fair value of employer assets	214
Present value of funded liabilities	<u>(3,095)</u>
Net under funded plans	(2,881)
Present value of unfunded liabilities	-
Unrecognised past service costs	<u>-</u>
Amount included in the balance sheet as liabilities	<u>(2,881)</u>
Net liabilities	<u><u>(2,881)</u></u>

**The amounts recognised in the statement of financial activities are as follows - Wade Deacon & Widnes Academy**

	31/8/15 £'000	31/8/14 £'000
Current service cost	320	258
Interest cost	144	124
Expected return on employer assets	(131)	(127)
Past service costs	<u>-</u>	<u>-</u>
Total	<u><u>333</u></u>	<u><u>255</u></u>
Actual return on plan assets	204	276

**The amounts recognised in the statement of financial activities are as follows- Hillside High**

	31/8/15 £'000
Current service cost	118
Interest cost	51
Administration expenses	3
Expected return on employer assets	(139)
Past service costs	<u>-</u>
Total	<u><u>33</u></u>
Actual return on plan assets	214

**INNOVATION ENTERPRISE ACADEMY**

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

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

**Reconciliation of defined benefit obligation- Wade Deacon**

	31/8/15 £'000	31/8/14 £'000
Opening defined benefit obligation	3,419	2,536
Current service cost	320	258
Interest cost	144	124
Contributions by members	76	66
Actuarial (gains)/ losses	(60)	451
Liabilities assumed in a business combination	501	-
Estimated benefits paid	<u>-</u>	<u>(16)</u>
Closing defined benefit obligation	<u>4,400</u>	<u>3,419</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £282,000.

**Reconciliation of defined benefit obligation- Hillside High**

	31/8/15 £'000
Opening defined benefit obligation	-
Business combinations	3,037
Current service cost	118
Interest cost	53
Contributions by members	31
Actuarial (gains)/ losses	(144)
Past service gains	-
Estimated benefits paid	<u>-</u>
Closing defined benefit obligation	<u>3,095</u>

**Reconciliation of fair value of employer assets: - Wade Deacon**

	31/8/15 £'000	31/8/14 £'000
Opening fair value of employer assets	2,183	2,015
Expected return on assets	131	127
Contributions by members	76	66
Contributions by the employer	252	248
Actuarial gains/(losses)	72	(257)
Assets acquired in a business combination	304	-
Benefits paid	<u>-</u>	<u>(16)</u>
Closing fair value of employer assets	<u>3,018</u>	<u>2,183</u>

**INNOVATION ENTERPRISE ACADEMY**

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

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

**Reconciliation of fair value of employer assets - Hillside High**

31/8/15	31/8/15 £'000
Opening fair value of employer assets	-
Business combination	47
Expected return on assets	2
Administration expenses	(3)
Contributions by members	31
Contributions by the employer	142
Actuarial gains/(losses)	(5)
Benefits paid	-
	<u>214</u>
Closing fair value of employer assets	<u>214</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £287,000.

**Amounts for the current and previous accounting periods - Wade Deacon & Widnes Academy**

	31/8/15 £'000	31/8/14 £'000
Fair Value of Employer Assets	3,018	2,183
Present Value of Defined Benefit Obligation	(4,400)	(3,419)
Surplus/(Deficit)	(1,382)	(1,236)
Experience Gains/(Losses) on Assets	72	(257)
Experience Gains/(Losses) on Liabilities	-	(478)

	31/8/13 £'000	31/8/12 £'000	31/8/11 £'000
Fair Value of Employer Assets	2,015	-	-
Present Value of Defined Benefit Obligation	(2,536)	-	-
Surplus/(Deficit)	(521)	-	-
Experience Gains/(Losses) on Assets	18	-	-
Experience Gains/(Losses) on Liabilities	-	-	-

**INNOVATION ENTERPRISE ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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**19. PENSION AND SIMILAR OBLIGATIONS - continued**

**Amounts for the current and previous accounting periods- Hillside High**

	31/8/15
	£'000
Fair Value of Employer Assets	(214)
Present Value of Defined Benefit Obligation	3,095
Surplus/(Deficit)	(2,881)
Experience Gains/(Losses) on Assets	5
Experience Gains/(Losses) on Liabilities	(144)

**Unfunded benefits**

There were no unfunded benefits at 31 August 2015..

**Bulk transfers**

No allowance has been made for any bulk transfer in the accounting period.

**20. RELATED PARTY DISCLOSURES**

Owing to the nature of the academy trust's operations 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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

# INNOVATION ENTERPRISE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

### 21. CONVERSION TO AN ACADEMY TRUST

#### Widnes Academy

On 1 February 2015 the Widnes Academy Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Innovation Enterprise Academy from the Halton Borough Council Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
- Leasehold land and buildings	-	-	836,000	836,000
- Other tangible fixed assets	-	-	113,026	113,026
LGPS pension deficit	-	(197,000)	-	(197,000)
<b>Net assets</b>	<b>-</b>	<b>(197,000)</b>	<b>949,026</b>	<b>752,026</b>

# INNOVATION ENTERPRISE ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

### 21. CONVERSION TO AN ACADEMY TRUST - continued

#### Hillside High

On 1 March 2015 the Hillside High School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Innovation Enterprise Academy from Sefton Borough Council Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
- Leasehold land and buildings	-	-	4,450,000	4,450,000
- Other tangible fixed assets	-	-	1,103,000	1,103,000
Budget surplus on LA funds			44,715	44,715
LGPS pension deficit	-	(2,990,000)	-	(2,990,000)
<b>Net assets</b>	<b>-</b>	<b>(2,990,000)</b>	<b>5,597,715</b>	<b>2,607,715</b>

The above net assets include £44,715 that was transferred as cash.

### 22. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during the year:

The following services are provided:-

Financial services  
Educational support

The trust charges for these services at a flat rate, being 4% of the GAG income received by each academy.

The actual amounts charged during the year were as follows:-

	£
Wade Deacon	326,153
Hillside High School	90,035
Widnes Academy	18,834
	<u>435,022</u>