

**Stratton Education Trust  
(A Company Limited by Guarantee)**

**Consolidated Financial Statements**

**Year ended 31 August 2015**

**Company Registration Number:  
07798627 (England and Wales)**

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for the Year Ended 31 August 2015**

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## Reference and Administrative Details

### Trustees & Members

Mr James Booth  
Mr Andrew Field  
Mr Nigel Lillywhite  
Mrs Madeline Russell  
Mr Robert Watson

### Governors

Ms Alaine Anderson \* (Staff)  
Mr James Birkett \* (Staff, ex officio) (Head of GVC) – appointed 1 January 2015  
Mr Ian Bond (Co-opted)  
Mr James Booth \* (Trust)  
Mr Andrew Field (Trust)  
Mr Tudor Fox (Parent)  
Mr Andrew Goodyer \* (Parent)  
Mr Phillip Howard (Parent) – appointed September 2014  
Ms Vicky Jenkins (Parent) – appointed September 2014  
Mr Eddie Kane \* (Trust)  
Mr Nigel Lillywhite\* (Parent)  
Mr Simon Luxton (Staff)  
Mrs Claire Neish \* (Parent)  
Mr Colin Pheysey \* (Staff, ex officio) (Head of GVC) – resigned 31 December 2015  
Mrs Hazel Ramsay (Trust)  
Mrs Madeline Russell \* (Trust) (Chairman)  
Mrs Emma Sunderland (Staff)  
Mrs Claire Twydell (Parent) – resigned October 2015  
Mrs Christina Ward (Trust)  
Mr Peter Ward \* (Staff)  
Mr Robert Watson \* (Staff, ex officio) (Executive Head and Accounting Officer)  
Mr Richard Westergreen-Thorne (Co-opted)  
Mr Chris Westhead \* (Staff)

\*Members of the Finance and Premises Committee

### Company Secretary

Mr Gary Waghorn

### Senior Management

Mr James Birkett, Deputy Headteacher to 31 December 2015, Stratton Upper School  
Ms Lesley Harper, Deputy Headteacher, Stratton Upper School  
Ms Roz Hodges, Deputy Headteacher, Stratton Upper School  
Miss Julie Brown, Director of Operations, Stratton Upper School  
Mr Gary Waghorn, Director of Finance, Stratton Upper School  
Mr Simon Bloomfield, Assistant Headteacher, Stratton Upper School  
Mr Les Rockett, Assistant Headteacher, Stratton Upper School  
Mr Steve Rook, Assistant Headteacher, Stratton Upper School

## Reference and Administrative Details (cont.)

Principal and Registered Office	Eagle Farm Road Biggleswade Bedfordshire SG18 8JB
Company Registration Number	7798627 (England & Wales)
Independent Auditor	George Hay Chartered Accountants St George's House George Street Huntingdon PE29 3GH
Responsible Officer	Duncan & Toplis 15 Chequergate Louth Lincolnshire LN11 0LJ
Bankers	Lloyds TSB plc 35 High Street Biggleswade SG18 0JD
Solicitors	Stone King LLP 30 Station Road Cambridge CB1 2RE

## **Governors' Report**

### **Governors' Report**

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2014 to 31st August 2015. The company was incorporated on 5th October 2011 and started operating as an Academy on 1st February 2012. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

### **Structure, Governance and Management**

#### **Constitution**

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

The Trustees of Stratton Education Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Stratton Education Trust, Stratton Upper School, and Gamlingay Village College.

The Trustees of the charitable company are as listed on page 1. The Trustees are:

The Chairman of the Board of Governors

Three appointed governors chosen for their experience in school governance

The Executive Headteacher

#### **Governors' Committees**

There are currently four Governors' Committees:

#### **Staff and Students Committee**

This Committee is responsible for the following:

- Considering the schools' procedures for reporting to parents on the progress of students;
- Monitoring student attendance and discipline and draw up any general principles of pupil discipline for ratification by the full governing body;
- Recommending a pupil admissions policy to the full governing body;
- Considering matters relevant to the general welfare and well-being of the students of the school;
- Recommending a Safeguarding policy;
- Drafting and keep under review a policy statement on staff consultation for approval by the full governing body;
- Reviewing and recommend for adoption the procedures for dealing with discipline and grievance and ensure that the staff are informed of them;

- Producing, in conjunction with the Executive Headteacher, such policies as are deemed to be required to cover personnel issues (including conditions of service) e.g. policies about secondment, supply cover, leave of absence and part-time working;
- Overseeing the staff appraisal procedures; and
- Receiving reports on staff and governor training and development, and make recommendations.

### **Learning and Achievement Committee**

This committee is responsible for monitoring:

- Implementation of the school curriculum including liaison between subject leaders within the Trust and feeder schools;
- Standards in teaching to ensure all students receive excellent and equitable access to high quality teaching;
- Student achievement and progress at the end of each key stage, scrutinising the achievement of targets set by senior staff and national standards; and
- SEND provision

The committee will make recommendations to the Full Governing Body.

### **Finance and Premises Committee**

The Finance & Premises Committee deals with all financial matters including:

- Providing guidance and assistance to the Executive Headteacher and Full Governing Body in matters relating to budgeting and finance;
- Preparation and review of financial policies;
- Presenting an annual budget plan to the Full Board of Governors for approval;
- Monitoring income and expenditure of all funds held by the Trust;
- Overseeing capital expenditure;
- Preparing a lettings charging policy;
- Providing guidance and assistance to the Executive Headteacher and Full Governing Body in matters relating to the premises and grounds, security and health and safety;
- To approve plans, costs and arrangements for maintenance, repairs and redecoration and extension of the buildings within the budget allocation;
- To receive reports on the maintenance of the school grounds, and make recommendations to the full governing body;
- To consider all aspects of the usage, efficiency and potential development of the school premises; and
- To ensure that the school complies with health and safety regulations.

## **Audit and Risk Committee**

The responsibilities of the Audit and Risk Committee include:

- To determine whether appropriate accounting methods are being applied;
- To recommend to the Governing Body the appointment, retention or replacement of an auditor;
- To determine whether the performance of the audit is satisfactory and effective and meets the requirements of the Trust and its schools;
- To examine the audited annual financial statements in conjunction with the management report of the Auditor, with particular reference to whether the statements:
  - Properly reflect the significant accounting policies selected;
  - Reflect estimates and other financial statement elements that are reasonable and consistent.
  - Adequately disclose all major transactions and issues;
  - Disclose all post year-end significant events, and
  - Are understandable, relevant, reliable and comparable.
- To determine whether systems are in place to identify and monitor major business risks effectively;
- To review and approve, as appropriate, External and Internal Audit reports; and
- To consider the development of a business continuity plan for Stratton Education Trust.

## Members' Liability

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

## Governors' Indemnities

In accordance with normal commercial practice, the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost for the period ended 31 August 2015 was £1,401 and this cost is included in the total insurance cost.

## Principal Activities

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 schools offering a broad and balanced curriculum.

The main objectives of the Trust are summarised below

- to raise the standard of educational achievement for all pupils and students;
- to provide a safe and welcoming environment and a stimulating curriculum, enabling every student to develop to his or her full potential;
- to ensure the educational opportunities we provide prepare students to make a significant contribution to the communities in which they live;
- to ensure our actions and words show our commitment to raising the self-esteem of everyone who learns and works within the Trust;
- to demonstrate respect, tolerance, openness, honesty and Trust in our relationships with one another;
- to develop close links with our community; and
- to conduct our business in accordance with the highest standards of integrity, probity and openness.

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

Governors other than the Executive Headteacher are in office for a period of four years.

Nominations for Parent Governors are sought from the parents and carers of students within the Stratton Education Trust member schools. Should nominations for the vacancies be equal to the number of vacancies, the nominees will be deemed to be elected. In the event there are more nominees than vacancies, an election will be held with all parents and carers eligible to vote.

Nominations for Staff Governors are sought from the staff of Stratton Education Trust member schools. Should nominations for the vacancies, be equal to the number of vacancies the nominees will be deemed to be elected. In the event there are more nominees than vacancies, an election will be held with all staff eligible to vote.

Trust Governors are appointed by the Governing Body.

#### Policies and Procedures adopted for the Induction and Training of Governors and Trustees

The training and induction provided for new Governors and Trustees depends on their existing experience. Induction tends to be informal and is tailored specifically to the individual. Training requirements are subject to on-going review.

Governors are provided with an Induction Pack which includes:

- A Guide to the Law for School Governors
- Academies Financial Handbook
- Stratton Education Trust Gifts and Hospitality Policy
- Whistleblowing Policy

Governor training is undertaken at Developmental meetings and has included:

- Safeguarding
- Whole School Improvement Plan
- Interpretation of the data provided to Governors, including examination results analysis.

### **Organisational Structure**

The Trustees and governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust performance and making major decisions about the strategic direction of the schools' capital expenditure and senior staff appointments.

The Senior Leadership Teams of the Trust consist of the Executive Headteacher, Deputy Headteachers, (one of whom is designated Headteacher at Gamlingay Village College) and the non-teaching Director of Operations and Director of Finance. These 9 posts constitute the Trust's Senior Leadership Team. One colleague is based solely at Gamlingay Village College whilst 4 are at Stratton Upper School. The remaining 4, including the Executive Headteacher, have roles that span both schools.

The senior leadership teams are responsible for the professional leadership and the governors' strategic intent through developing and implementing the policies laid down by the governors and reporting back to them. A middle management tier of leadership includes Heads of Faculty, Heads of Departments and Pastoral Leaders. Some spending control is devolved to members of the middle leadership team.

The aim of the leadership structure is to encourage involvement in decision making at all levels through promoting accountability, responsibility and professional autonomy in the performance of leaders duties in support of the governors' strategic intent.

### **Principal Risks and Uncertainties**

The major risks, to which the academy Trust is exposed, as identified by the Audit & Risk Committee of Governors, have been reviewed and systems have been established to manage those risks.

### **Connected Organisations**

Stratton Education Trust is an outward facing organisation that seeks to play a full role in sharing and developing excellent practice.

Our connected organisations include:

- The Biggleswade Community Union of Schools (BCUS) an association of all education providers in our area, dedicated to seamless education from 0-19;
- Central Bedfordshire Upper and Secondary Heads Group;
- Central Bedfordshire Teaching School;

- The Academy of Central Bedfordshire, an alternative provision Free School established by the Central Bedfordshire Upper and Secondary Heads Group;
- Cambridge University, Department of Education;
- Cambridge Secondary Heads Association; and
- Stratton Learning Partnership, our own organisation providing training opportunities to over 20 schools.

## **Objectives and Activities**

### Objectives, Strategies and Activities

The overall priorities for the Trust are identified in the "Whole Trust Improvement Plan". This document is closely allied to the fulfilment of the Trusts objectives. Within the document differing priorities emerge at a school level which takes into account the varying circumstances that can exist between institutions, particularly when serving different age ranges.

At Stratton Upper School the key objectives were to:

- sustain the improvement in Mathematics teaching;
- sustain the improvement in Sixth Form outcomes across the curriculum; and
- arrest and reverse the decline in Key Stage 4 English outcomes

Strategies included:

- the introduction of a rigorous and focused mechanism to assess teachers' performance combined with a range of training activities designed to promote improvement. The training activities were tailored to the individual needs of teachers helping them to progress to the next level of professional success;
- a review of monitoring arrangements for student progress;
- intervention programmes designed to address student underperformance; and
- a whole school focus on developing the notion of "behaviour for learning" throughout the community of Stratton

At Gamlingay Village College the key objectives were to:

- continue our relentless drive to raise standards of the teaching of literacy and numeracy particularly at Key Stage 2; and
- embed the newly introduced curriculum model with its emphasis on different pedagogical methods applied at Key Stage 2 and Key Stage 3.

The Trust prepared and consulted on a number of detailed policies and guidelines to further develop good practice. These were adopted formally from 1st September 2013.

- Assessment and Marking
- Performance management
- Pay Policy

## **Activities in the Community**

We have continued to build successful relationships with our community. We host some adult learning provision and successfully let our sports centre out to clubs and other hirers. Sports Centre lettings proved especially successful with over 50 regular hirers. This meant that the facility ran at close to full capacity and generated sufficient income to support significant redevelopment of the area, including new flooring to the large Sports Hall.

We also have a farm at Stratton Upper School which is used not only by our own students but also those from other schools in the area. This enables us to offer experiences to young people which they would not otherwise have. Students prepare hanging baskets and containers for sale to the community and we, in addition, produce our own honey, eggs and meat products.

Produce from the Farm was sold on a weekly basis throughout the year though our two peak areas for activity are the Spring Open Day (with its focus on plant sales) and Christmas Turkeys. The value of the Farm as an essential part of our community and curriculum offer remains as strong as ever.

Many of our regular community activities continued through the year including our active Interact Club, Operation Christmas Child and contributions to key national events such as Children in Need.

At Stratton Upper School an ambitious production of "Barnum" played to packed houses. Pupils relished the opportunity to test themselves and exceeded all expectations.

## **Public Benefit**

The Trustees have had regard to the Charity Commission's public benefit guidance, by providing education to the pupils within our schools.

In addition, we share best practice in teaching through our links with other schools. We are part of a Teaching School so work to train new teachers. Stratton is part of the Biggleswade Community Union of Schools, where we address joint issues and share ideas.

The Trust believes that schools should be at the heart of their community. Both schools have sports facilities which are open to the public for use outside of school hours.

## **Achievements and Performance**

The academic year 2014/15 was a significant milestone. The continued good performance at KS4 and 5 resulted in Stratton Upper School being judged to be a "Good" school following a full Ofsted inspection in April 2015. Significant improvements were made to the rigour applied to triangulating monitoring activities designed to ensure continued school improvement. Staff were increasingly held to account for the impact they had on learning. For a small minority this was a challenging experience, but for the majority an empowering validation of their professional skill.

### **Key Performance Indicators**

#### **Key Stage 2**

Students achieving level 4+ in English = 86% (national average)

Students achieving level 4+ in Maths = 74% (below national average)

Students achieving level 4+ in both English and Maths = 71% (below national average)

#### **Key Stage 4**

Students achieving 5 A\* - C grades with English and Maths = 50%

This figure was a reduction of 8% points from 2014, however the cohort's starting points were significantly below national average. Progress was in fact slightly stronger than the previous year.

### **Key Stage 5**

At A2 we were pleased to achieve more than 47% of students gaining A\*- B grades. 75% of grades were A\*-C.

We are also pleased to note that 93% of our students moving to higher education were successful in gaining their first choice placement. A higher proportion of students from our Sixth Form attend Russell Group universities, compared to the national level.

At AS level 2015 proved to be another successful year.

Stratton Sixth Form's outcomes place it in the top 30% for progress nationally.

We remain a popular choice for students at of all ages. Although our catchment is currently in the midst of a demographic dip, Stratton Upper School is over 97% full compared to its published admission number in all year groups. This does pose issues as, due to the further growth in the Sixth Form, we regularly exceed the overall capacity of the campus.

Similar issues pertain at Gamlingay Village College where a dip in pupil numbers has been at least partially mitigated by an increase of families choosing Gamlingay Village College from out of catchment areas.

The Trust continues to enjoy strong relationships with the Connolly Foundation. We are particularly grateful for the support they have shown to students in the Sixth Form. Without their intervention the students would not have been able to play a full part in a range of trips and activities designed to enhance their A-level studies.

### **Going Concern**

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

### **Financial Review**

Most of the Trust's income is obtained from the Education Funding Agency (EFA), and part of the Department for Education (DfE), in the form of recurrent grants, the use of which is restricted to specific purposes. The grants received from the EFA during the period ended 31 August 2015, and the associated expenditure, are shown as restricted funds in the statement of financial activities. The Trust also receives grants for fixed assets and capital programmes from the EFA. Such grants are shown in the statement of financial affairs as restricted income in the fixed asset fund.

### **Reserves Policy**

The Trustees review the reserves levels of the Trust at least annually, with termly reviews by the Finance and Premises Committee. The review encompasses the nature of income and expenditure streams, the need to match income with commitments, and the nature of reserves.

The Trustees consider that reserves should be set at a level that ensures that the Trust can forecast a balanced budget over a three year period, with 3% of the forecast income in the third year as reserves at the end of that year. This will allow sufficient flexibility to enable three year planning of curriculum

changes and other medium term programmes to be included without endangering the working capital of the Trust.

### **Investment Policy**

The Finance and Premises Committee aims to manage the cash balances of the Trust to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Finance and Premises Committee aims to invest surplus cash funds to optimise returns but ensuring that the investment instruments are such that there is an absolute minimum risk to the loss of these cash funds.

### **Principal Risks and Uncertainties**

The revisions to school funding continue to cause concern, as both schools operate within local authorities that have traditionally received significantly less funding than average.

Thanks to the work of the leadership team at Gamlingay Village College much has been done to restore the confidence of the community in the school. This has been achieved at a time when difficult decisions have been made with regard to staffing, both to raise the level of performance and to make it sustainable within the confines of the budget.

Stratton continues to work closely with the Local Authority to provide up to 400 additional school places needed due to development within the town of Biggleswade. The proposed timeframe by which the required expansion of the school will take place has been moved to completion by November 2016. The overall contribution the local authority intends making towards the scheme remains at £8.4 million.

### **Plans for Future Periods**

The Trust has developed extensive plans to drive its objectives forward in the academic year 2015/16. This "Whole Trust Improvement Plan" is available on either the Stratton Upper School or Gamlingay Village College website.

The proposed expansion of Stratton Upper School remains focused around developing science provision, as that is an area of weakness in the schools resource.

At the heart of all our plans are the needs of our community. We are fortunate to enjoy a high degree of support from our pupils, students, families, staff and governors. Our need is to harness the energy to build outstanding educational provision across the Trust.

### **Auditor**

In so far as the Governors are aware:

There is no relevant audit information of which the charitable company's auditor is unaware; and

The Governors have taken all steps that they ought to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Governing Body on 8<sup>th</sup> February 2016 and signed on its behalf by:

***Mrs Madeline Russell***

Chairman of Governors

## **Governance Statement**

### **Scope of Responsibility**

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

The Governing Body has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer for ensuring financial controls conform with the requirements for both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Stratton Education Trust and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Trustees responsibilities.

### **Review of Value for Money**

As accounting officer the Headteacher 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:

- Undertaking competitive tendering exercises for work associated with the expansion of the school;
- Undertaking competitive tendering exercises for capital works funded through the Condition Improvement Fund provided by the EFA. This covered:
  - Roofing and Window replacement at Stratton Upper School; and
  - Boiler Replacement at Gamlingay Village College.
- Comparing prices for suppliers of books, stationery and general supplies; and
- Obtaining catering supplies from a mixture of local and national suppliers.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

### **Capacity to Handle Risk**

The Governing Body regularly reviews the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

## Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Premises 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; and
- identification and management of risks.

The Governing Body has appointed George Hay Partnership LLP to undertake External Audit work and Duncan & Toplis as Internal Auditors/Responsible Officer for the Trust.

The Full Governing Body has formally met 7 times during the period and there have been 10 committee meetings. Attendance during the year at meetings of the Governing Body was as follows:

	Attendance at Meetings				
	Full Board	Finance & Premises	Learning & Achievement	Staff & Students	Audit & Risk
Mrs Madeline Russell (Trust) Chairman of Stratton Education Trust	7	2	3	2	
Mrs Elaine Anderson (Staff)	6	2	1		
Mr James Birkett (Staff, ex officio)	4	1	2	1	
Mr Ian Bond (Trust) Chairman Learning and Achievement	5		3		
Mr James Booth (Trust) Chairman Finance and Premises	7	2			
Miss Julie Brown (Staff, ex officio)	3	2			2
Mr Andrew Field (Trust) Chairman of Staff and Students and Vice Chairman Audit & Risk	6	1		3	2
Mr Tudor Fox (Trust)	2				
Mr Andrew Goodyer (Parent)	1	1			
Miss Jane Harper (Staff, ex officio)	6		3	2	
Ms Roz Hodges (Staff, ex officio)	4			3	
Mr Philip Howard (Parent)	6	1			
Mrs Vicky Jenkins (Parent)	5			1	
Mr Eddie Kane (Parent) Vice Chairman Finance and Premises	6	2			
Mr Nigel Lillywhite (Parent) Vice Chairman Learning and Achievement and Chairman Audit & Risk	6	2		2	2
Mr Simon Luxton (Staff)	7	1	2	2	
Mrs Claire Neish (Parent)	7	2	2	1	
Mr Colin Pheysey (Staff, ex officio)	7	2	3	2	
Mrs Hazel Ramsay (Trust) Vice Chairman Staff and Students	6	1		3	
Mrs Emma Sunderland (Staff)	6			3	
Mrs Claire Twydell (Parent)	5			3	
Cont'd.					

	Attendance at Meetings				
	Full Board	Finance & Premises	Learning & Achievement	Staff & Students	Audit & Risk
Mr Gary Waghorn (Staff, ex officio)	6	2			1
Mrs Christina Ward (Trust)	7				
Mr Peter Ward (Staff)	7	2			
Mr Robert Watson – Executive Headteacher (Staff, ex officio)	7	2	3	3	1
Mr Richard Westergreen-Thorne (Co-opted)	6	2	3		2
Mr Chris Westhead (Staff)	4	1			

### Review of Effectiveness

As Accounting Officer, Robert Watson has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- The work of the external auditor
- The work of the Internal Auditor/Responsible Officer
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the above reviews of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 8<sup>th</sup> February 2016 and signed on its behalf by:

**Mrs Madeline Russell**

Chairman of Governors

**Mr Robert Watson**

Accounting Officer

## **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Stratton Education Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the Funding Agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook (2014).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered.

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.

***Mr Robert Watson***

Accounting Officer

Date: 8<sup>th</sup> February 2016

## Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year, which 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 the year. In preparing these financial statements, the trustees are required to:

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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education 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 auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by order of the Trustees on 8<sup>th</sup> February 2016 and signed on their behalf by:

***Mrs Madeline Russell***

Chairman of Trustees.

## **Independent Reporting Accountant's Assurance Report on Regularity to Stratton Education Trust and the Education Funding Agency**

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

### **Respective responsibilities of Stratton Education Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Stratton Education Trust's funding agreement with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

*(continued)*

## **Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 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.

George Hay Partnership LLP  
Chartered Accountants  
and Statutory Auditor  
St George's House  
George Street  
Huntingdon  
Cambridgeshire  
PE29 3GH

Date: 18<sup>th</sup> February 2016

## **Independent Auditor's Report to the members of Stratton Education Trust**

We have audited the financial statements of Stratton Education Trust for the year ended 31 August 2015 which comprise the titles of the primary statements such as the Group Statement of Financial Activities, the Group and Parent Academy Trust's Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 group's and the parent academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group and the academy trust's affairs as at 31 August 2015, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2015 issued by the Education Funding Agency.

(Continued)

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- the parent academy trust has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy trust's 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

### ***B Jefferd FCA CTA (Senior Statutory Auditor)***

for and on behalf of George Hay Partnership LLP  
Chartered Accountants  
and Statutory Auditor  
St George's House  
George Street  
Huntingdon  
Cambridgeshire  
PE29 3GH

Date: 18<sup>th</sup> February 2016

**Consolidated Statement of Financial Activities**  
**for the year ended 31 August 2015**  
(including Income and Expenditure Account and  
Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	<b>Total 2015 £</b>	<b>Total 2014 £</b>
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	3	4,815	11,789	2,451,140	2,467,744	410,415
Activities for generating funds	4	541,038	-	-	541,038	438,979
Investment income	5	1,177	-	-	1,177	1,462
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	6	-	7,574,401	-	7,574,401	7,845,256
<b>Total incoming resources</b>		<b>547,030</b>	<b>7,586,190</b>	<b>2,451,140</b>	<b>10,584,360</b>	<b>8,696,112</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Fundraising trading	7	492,401	-	-	492,401	425,479
<i>Charitable activities:</i>						
Academy's educational operations	8	-	7,736,498	156,532	7,893,030	7,977,240
Governance costs	9	-	168,159	-	168,159	145,305
<b>Total resources expended</b>	7	<b>492,401</b>	<b>7,904,657</b>	<b>156,532</b>	<b>8,553,590</b>	<b>8,548,024</b>
<b>Net incoming/(outgoing) resources before transfers</b>						
		54,629	(318,467)	2,294,608	2,030,770	148,088
Gross transfers between funds	17	(59,906)	8,950	50,956	-	-
<b>Net income/(expenditure) for the year</b>		<b>(5,277)</b>	<b>(309,517)</b>	<b>2,345,564</b>	<b>2,030,770</b>	<b>148,088</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(101,000)	-	(101,000)	(277,000)
<b>Net movement in funds</b>		<b>(5,277)</b>	<b>(410,517)</b>	<b>2,345,564</b>	<b>1,929,770</b>	<b>(128,912)</b>
<b>Reconciliation of funds</b>						
Total Funds brought forward at 1 September 2014	17	254,124	(1,160,437)	9,997,956	9,091,643	9,220,555
<b>Funds carried forward at 31 August 2015</b>		<b>248,847</b>	<b>(1,570,954)</b>	<b>12,343,520</b>	<b>11,021,413</b>	<b>9,091,643</b>

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

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

## Consolidated Balance sheet as at 31 August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Tangible assets	13		10,602,564		9,993,179
<b>Current assets</b>					
Stock	14	25,030		31,583	
Debtors	15	269,845		294,936	
Cash at bank and in hand		2,186,077		703,739	
		<u>2,480,952</u>		<u>1,030,259</u>	
<b>Creditors:</b> Amounts falling due within one year	16	(428,103)		(483,794)	
<b>Net current assets</b>			<u>2,052,849</u>		<u>546,464</u>
Total assets less current liabilities			<u>12,655,413</u>		<u>10,539,643</u>
<b>Net assets excluding pension liability</b>					
Pension scheme liability	25		(1,634,000)		(1,448,000)
<b>Net assets including pension liability</b>			<u>11,021,413</u>		<u>9,091,643</u>
<b>Funds of the academy:</b>					
<b>Restricted funds</b>					
Fixed asset fund(s)	17		12,343,520		9,997,956
General fund(s)	17		63,046		287,563
Pension reserve	17		(1,634,000)		(1,448,000)
<b>Total restricted funds</b>			<u>10,772,566</u>		<u>8,837,519</u>
<b>Unrestricted funds</b>	17		248,847		254,124
<b>Total funds</b>			<u>11,021,413</u>		<u>9,091,643</u>

The financial statements were approved by the Governors, and authorised for issue on 8<sup>th</sup> February 2016 and are signed on their behalf by:

***Mrs Madeline Russell***

Chairman of Trustees

Company Limited by Guarantee  
Registration Number 07798627

## Company Balance sheet as at 31 August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Tangible assets	13	10,602,564		9,993,179	
Investments	26	100		100	
			10,602,664		9,993,279
<b>Current assets</b>					
Stock	14	25,030		31,583	
Debtors	15	338,833		445,909	
Cash at bank and in hand		2,115,386		551,441	
		2,479,249		1,028,933	
<b>Creditors:</b> Amounts falling due within one year	16	(426,500)		(482,569)	
<b>Net current assets</b>			2,052,749		546,364
Total assets less current liabilities			12,655,413		10,539,643
<b>Net assets excluding pension liability</b>					
Pension scheme liability	25		(1,634,000)		(1,448,000)
<b>Net assets including pension liability</b>			11,021,413		9,091,643
<b>Funds of the academy:</b>					
<b>Restricted funds</b>					
Fixed asset fund(s)			12,343,520		9,997,956
General fund(s)			63,046		287,563
Pension reserve			(1,634,000)		(1,448,000)
<b>Total restricted funds</b>			10,772,566		8,837,519
<b>Unrestricted funds</b>			248,847		254,124
<b>Total funds</b>			11,021,413		9,091,643

The financial statements were approved by the Governors, and authorised for issue on 8<sup>th</sup> February 2016 and are signed on their behalf by:

***Mrs Madeline Russell***

Chairman of Trustees

Company Limited by Guarantee  
Registration Number 07798627

## Consolidated Cash Flow Statement for the period ended 31 August 2015

	Notes	2015 £	2014 £
<b>Net cash inflow from operating activities</b>	21	(204,063)	16,881
Returns on investments and servicing of finance	22	1,177	1,462
Net capital (expenditure)/income	23	1,685,224	(312,377)
<b>(Decrease)/Increase in cash in the year</b>	24	1,482,338	(294,040)
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net cash at 1 September 2014		703,739	997,779
<b>Net cash at 31 August 2015</b>		2,186,077	703,739

## **Notes to the Financial Statements for the year ended 31 August 2015.**

### **1. Statement of Accounting Policies**

#### **Basis of Preparation**

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

#### **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 recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### **Grants Receivable.**

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

Fixed Asset grants are shown in the statements of financial activities as restricted fixed asset funds.

Grants which have specific performance conditions are included in the Statement of Financial Activities where there is a reasonable level of certainty that the performance conditions have been met.

#### **Donations**

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

#### **Other Income**

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

#### **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over its useful economic life in accordance with the academy trust's policies

### **Resources expended.**

All expenditure is recognised in the period in which a liability is incurred and has been classified under the 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 on allocated on the portion of the assets use. Other support costs are allocated based on the spread of staff costs.

### **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

### **Charitable activities**

These are costs incurred on the academy trust's educational operations

### **Governance Costs**

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

All resources are inclusive of irrecoverable VAT.

### **Tangible Fixed Assets**

Assets costing £2,000 or more are capitalised as fixed assets and are carried at cost, net of depreciation and any provision for impairment. In certain cases, individual items acquired with a unit cost of less than £2,000 but an aggregate cost of £2,000 or more are aggregated for the purposes of capitalisation. Examples would include an entire classroom refurbishment, ICT equipment purchased as part of the school plan to ensure ICT resources are of a standard equivalent to that generally available and relevant to the curriculum.

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

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

Freehold Land & Buildings	Not provided
Leashold Land & Buildings	125 years
Fixtures, Fittings & Equipment	10 years
ICT Equipment	5 years

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

### **Leased Assets**

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

### **Stocks**

Unsold uniforms, catering and stationery stocks are valued at the lower of cost or net realisable value.

## **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 2 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.

## **Investments**

The academy's shareholding in the wholly owned subsidiary, Stratton Trust Leisure Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

## **Basis of Consolidation**

The financial statements represent the position and performance of Stratton Education Trust and its wholly owned subsidiary, Stratton Trust Leisure Ltd.

## **Pensions Benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings Related Pension Scheme ('SERPS'), 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 substantially a 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 25, 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 a 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 the vesting occurs. The expected return on assets and the interest costs are shown as net of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

## **Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education (DfE), EFA or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the EFA and/or DfE.

## **Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 29.

## **2. General Annual Grant**

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

No academies within the trust exceeded the limits during the year ended 31 August 2015.

## **3. Voluntary Income Group**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Capital Grants	-	2,451,140	2,451,140	400,054
Donations	4,815	11,789	16,604	10,361
	<u>4,815</u>	<u>2,462,929</u>	<u>2,467,744</u>	<u>410,415</u>

## **4. Activities for generating funds Group**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Fundraising events	12,113	-	12,113	18,414
Sale of goods and services	58,643	-	58,643	24,607
Hire of Facilities	79,924	-	79,924	84,259
Catering Income	231,049	-	231,049	217,711
Farm Income	32,313	-	32,313	33,363
Trip Income	126,996	-	126,996	60,625
	<u>541,038</u>	<u>-</u>	<u>541,038</u>	<u>438,979</u>

## **5. Investment Income Group**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2014 £</b>	<b>Total 2014 £</b>
Short term deposits	1,177	-	1,177	1,462
	<u>1,177</u>	<u>-</u>	<u>1,177</u>	<u>1,462</u>

**6. Funding for trust's educational operations Group**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)(note 2)	-	7,166,741	7,166,741	7,404,297
Other DfE/EFA grants	-	193,149	193,149	217,574
	-	<u>7,359,890</u>	<u>7,359,890</u>	<u>7,621,871</u>
<b>Other Government grants</b>				
Local authority grants	-	214,511	214,511	223,385
	-	<u>214,511</u>	<u>214,511</u>	<u>223,385</u>
	-	<u>7,574,401</u>	<u>7,574,401</u>	<u>7,845,256</u>

**7. Resources expended Group**

	Non Pay Expenditure			Total 2015 £	Total 2014 £
	Staff Costs £	Premises £	Other Costs £		
<b>Cost of activities for generating funds</b>					
Direct costs	138,586	-	330,928	469,514	383,168
Allocated support costs	11,992	3,478	7,417	22,887	42,311
	<u>150,578</u>	<u>3,478</u>	<u>338,345</u>	<u>492,401</u>	<u>425,479</u>
<b>Academy's educational operations</b>					
Direct costs	5,715,756	62,895	616,579	6,395,230	6,516,625
Allocated support costs	971,689	290,647	235,464	1,497,800	1,460,615
	<u>6,687,445</u>	<u>353,542</u>	<u>852,043</u>	<u>7,893,030</u>	<u>7,977,240</u>
<b>Governance costs</b>					
Direct costs	-	-	21,857	21,857	29,060
Allocated support costs	112,394	2,756	31,152	146,302	116,245
	<u>112,394</u>	<u>2,756</u>	<u>53,009</u>	<u>168,159</u>	<u>145,305</u>
	<u>6,950,417</u>	<u>359,776</u>	<u>1,243,397</u>	<u>8,553,590</u>	<u>8,548,024</u>

The method used for the apportionment of support costs is disclosed in the accounting policies.

<b>Outgoing resources for the year include:</b>	<b>2015 £</b>	<b>2014 £</b>
Operating leases	38,870	41,293
Fees payable to auditors		
Audit	16,000	17,700
Other services	3,210	5,070

**8. Charitable Activities- Trust's educational operations Group**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b><i>Direct costs</i></b>				
Teaching and educational support staff costs	-	5,715,756	5,715,756	5,812,679
Depreciation	-	154,841	154,841	139,545
Educational supplies	-	173,271	173,271	159,812
Examination fees	-	160,501	160,501	184,734
Educational consultancy	-	15,996	15,996	7,902
Maintenance of equipment	-	85,155	85,155	99,677
Other direct costs	-	89,710	89,710	112,276
	-	<u>6,395,230</u>	<u>6,395,230</u>	<u>6,516,625</u>
<b><i>Allocation supported costs</i></b>				
Support staff costs	-	971,689	971,689	882,272
Maintenance of premises and equipment	-	136,095	136,095	170,744
Rent & rates	-	31,077	31,077	46,252
Insurance	-	65,445	65,445	66,796
Light and Heat	-	123,475	123,475	129,847
Catering	-	16,778	16,778	15,473
Staff Development	-	57,024	57,024	56,644
Other support costs	-	96,217	96,217	92,587
	-	<u>1,497,800</u>	<u>1,497,800</u>	<u>1,460,615</u>

**9. Governance Costs Group**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	1,525	1,525	5,700
Clerk to the Governors	-	1,122	1,122	590
Auditor's remuneration				
• Audit of financial statements	-	16,000	16,000	17,700
• Accountancy, taxation and other services	-	3,210	3,210	5,070
Support staff costs	-	112,394	112,394	93,450
Other Support Costs	-	33,908	33,908	22,795
	-	<u>145,305</u>	<u>145,305</u>	<u>145,305</u>

**10. Staff Costs**  
**Group**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Staff costs during the period were:		
Wages and salaries	5,580,778	5,635,418
Social security costs	421,873	385,072
Pension costs	947,766	883,345
	<u>6,950,417</u>	<u>6,903,835</u>
Compensation payments	-	-
	<u>6,950,417</u>	<u>6,903,835</u>

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

	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
	<b>Number</b>	<b>Full-time</b>	<b>Number</b>	<b>Full-time</b>
		<b>equivalent</b>		<b>equivalent</b>
<b>Charitable Activities</b>				
Teachers	98	92	102	96
Administration and support	133	81	132	79
Management	11	11	12	12
	<u>242</u>	<u>184</u>	<u>246</u>	<u>187</u>

The number of employees who were paid at the following annualised rates of pay, were:

	<b>2015</b>	<b>2014</b>
£60,001 - £70,000	3	3
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,000+	1	1
	<u>4</u>	<u>4</u>

The above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2015, pension contributions for the employees amounted to £42,950.

**11. Trustees remuneration and expenses**

The Head Teacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors.

The value of Trustees remuneration for the year to 31 August 2015 was as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
R Watson (Executive Head Teacher)		
Remuneration	105,000-110,000	100,000-105,000
Employer's pension contributions	15,000-20,000	15,000-20,000

## **12. Governors and Officers' Insurance**

In accordance with normal commercial practice the trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions whilst on trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ending 31 August 2015 was £1,401.

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

## **13. Tangible Fixed Assets.**

### **Group and Company**

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Assets Under Construction £	Total £
<b>Cost</b>						
At 1 September 2014	1,194,901	7,861,855	206,118	354,961	723,000	<b>10,340,835</b>
Additions	-	-	73,458	11,738	680,720	<b>765,916</b>
Disposals	-	-	-	(6,327)	-	<b>(6,327)</b>
Transfer	-	-	-	-	-	-
At 31 August 2015	<u>1,194,901</u>	<u>7,861,855</u>	<u>279,576</u>	<u>360,372</u>	<u>1,403,720</u>	<b>11,100,424</b>
<b>Depreciation</b>						
At 1 September 2014	-	162,991	43,883	140,782	-	<b>347,656</b>
Charged in year	-	62,895	23,725	68,220	-	<b>154,840</b>
Disposals	-	-	-	(4,636)	-	<b>(4,636)</b>
At 31 August 2015	<u>-</u>	<u>225,886</u>	<u>67,608</u>	<u>204,366</u>	<u>-</u>	<b>497,860</b>
<b>Net book values</b>						
At 31 August 2015	<u>1,194,901</u>	<u>7,635,969</u>	<u>211,968</u>	<u>156,006</u>	<u>1,403,720</u>	<b>10,602,564</b>
At 31 August 2014	<u>1,194,901</u>	<u>7,698,864</u>	<u>162,235</u>	<u>214,179</u>	<u>723,000</u>	<b>9,993,179</b>

## **14. Stock**

### **Group and Company**

	2015 £	2014 £
Uniform	4,585	9,759
Catering	2,065	2,799
Farm	4,743	-
Stationery & Other	13,637	19,025
Total	<u>25,030</u>	<u>31,583</u>

## **15. Debtors**

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade Debtors	20,368	20,151	16,674	14,601
Other Debtors	131,912	164,733	131,912	164,110
Amounts due from group company	-	-	72,682	157,146
Prepayments	117,565	110,052	117,565	110,052
Total	<u>269,845</u>	<u>294,936</u>	<u>338,833</u>	<u>445,909</u>

## **16. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade Creditors	101,365	395,531	101,365	395,531
Other Creditors	20,893	8,392	20,790	8,392
Accruals & deferred income	305,845	79,871	304,345	78,646
<b>Total</b>	<b>428,103</b>	<b>483,794</b>	<b>426,500</b>	<b>482,569</b>

### **Deferred income Group and company**

	<b>2015</b>
	<b>£</b>
Deferred Income at 1 September 2014	18,630
Resources deferred in the year	123,517
Amounts released from previous years	(18,630)
<b>Deferred Income at 31 August 2015</b>	<b>123,517</b>

At the balance sheet date the academy trust was holding funds received in advance for:

- School trips due to take place in the 2015/16 Academic year.
- 15/16 Growth Fund from Central Bedfordshire Council

## **17. Funds**

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)					
Stratton Upper School	239,627	6,279,323	6,611,572	92,622	-
Gamlingay Village College	25,895	887,418	872,078	(7,622)	33,613
Other Government Grants	-	214,511	213,828	-	683
Other DfE/EFA grants	10,241	193,149	203,390	-	-
Restricted Donations	11,800	11,789	3,789	8,950	28,750
	287,563	7,586,190	7,904,657	93,950	63,046
Pension reserve	(1,448,000)	-	-	(186,000)	(1,634,000)
	(1,160,437)	7,586,190	7,904,657	(92,050)	(1,570,954)
<b>Restricted fixed asset funds</b>					
Transfer from Local Authority on conversion	8,893,413	-	149,725	-	8,743,688
DfE/EFA capital grants	168,629	669,911	2,306	-	836,234
Capital expenditure from GAG	465,969	-	2,791	50,956	514,134
Other government capital grants	469,945	1,781,229	1,710	-	2,249,464
	9,997,956	2,451,140	156,532	50,956	12,343,520
<b>Total restricted funds</b>	<b>8,837,519</b>	<b>10,037,330</b>	<b>8,061,189</b>	<b>(41,094)</b>	<b>10,772,566</b>
<b>Unrestricted funds</b>					
General	54,311	547,030	492,401	139,907	248,847
Building Fund	199,813	-	-	(199,813)	-
	254,124	547,030	492,401	(59,906)	248,847
<b>Total funds</b>	<b>9,091,643</b>	<b>10,584,360</b>	<b>8,553,590</b>	<b>(101,000)</b>	<b>11,021,413</b>

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

Included within Other DfE/EFA Grants under Restricted general funds is £173,240 received in respect of Pupil Premium. The fund is to work with pupils who have been registered for free school meals at any point in the last six years as the school sees appropriate. Funds were expended on staffing to provide support to the relevant pupils in one to one and small group situations and contributions towards the costs of school trips as well as other relevant support expenditure. All of the funding received was expended in the period in accordance with the purposes for which the grant was intended.

Also included within Other DfE/EFA Grants under Restricted general funds is £11,484 receivable from the EFA in respect of EOTAs funding at GVC. The funding received has been expended in its entirety in the year within the restrictions applicable to provide education to pupils outside of the school site. There was also £8,425 received from the EFA for PE Teacher Release funding, this was also wholly expended in the year in accordance with the terms and conditions of the funding.

The Other Government Grants under Restricted general funds includes £177,717 of SEN Funding provided by the schools' respective Local Authorities. The funding is granted to the school for the purpose of providing additional support for students who have a statement of educational needs. Funds are expended on Learning Support Assistants, equipment and any other needs, in accordance with the statement, to ensure that the student can access the curriculum. All funding received was expended in the period in accordance with the purposes for which the grant was intended.

Also included in Other Government Grants was £2,133 received from other Local Authorities including Herts County Council and Northants County Council in 'Looked After Children' funding. The funding was restricted to be spent on teaching and/or resources for out of catchment area pupil placements. In the year the school expended the amount receivable in its entirety within the restrictions applicable.

Growth Funding totalling £37,000 was received from Central Bedfordshire Council in the year in recognition of the additional work required in the school to cover time and resources required to manage the school expansion project. The amount received covered the relevant costs incurred in the year.

As at 31 August 2014 the Governors had earmarked £500,000 of the unrestricted reserves and GAG surplus towards the school building extension project. Due to budgetary revisions, development plans have had to be reassessed and the project funding is no longer to be supplemented from the Trust's unrestricted reserves. £300,187 of expenditure on the project to date has already been funded from the £500,000 previously earmarked. It is expected however, that this amount will be recoverable from other capital grant funding by the end of the project. The transfer of this amount, back to unrestricted reserves, will be accounted for when realised. The remaining, unspent amount of £199,813 has been transferred back into general funds from the Building Fund within unrestricted reserves.

In Restricted Fixed Asset Funds, DfE/EFA Capital Grants includes a £32,891 Devolved Formula Capital Maintenance Grant from the EFA applied for new IT hardware and equipment at both schools and £416,248 received in respect of the Academies Capital Maintenance Programme.

Also included in Other Government Capital Grants was £1,781,229 from Central Bedfordshire Council towards the Stratton school building extension project. £446,664 of this funding was spent prior to the balance sheet date. £1,334,565 is to be carried forward to be expended on the ongoing development in accordance with the terms of the grant.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.

## **18. Analysis of net assets between funds**

Fund balances at 31 August 2015 are represented by:

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds</b>
Tangible fixed assets	-	-	10,602,564	10,602,564
Current assets	289,860	281,653	1,909,439	2,480,952
Current liabilities	(41,013)	(218,607)	(168,483)	(428,103)
Pension scheme liability	-	(1,634,000)	-	(1,634,000)
<b>Total net assets</b>	<b>248,847</b>	<b>(1,570,954)</b>	<b>12,343,520</b>	<b>11,021,413</b>

## **Analysis of academies fund balance**

Fund balances as at 31 August 2015 were allocated as follows:

	<b>Total £</b>
Stratton Upper School	253,280
Gamlingay Village College	58,613
Total before fixed assets and pension reserve	311,893
Restricted fixed asset fund	12,343,520
Pension reserve	(1,634,000)
<b>Total</b>	<b>11,021,413</b>

## **Analysis of academies by cost**

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
Stratton Upper School	5,095,503	1,065,873	150,822	1,142,107	7,454,305
Gamlingay Village College	620,213	168,788	22,449	131,303	942,753
	<b>5,715,716</b>	<b>1,234,661</b>	<b>173,271</b>	<b>1,273,410</b>	<b>8,397,058</b>

## **Central Services**

The Trust does not provide any services centrally, where services are provided from one member academy, the cost is calculated on a cost only basis using for example time apportionment.

## **19. Member's liability**

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

## **20. Financial commitments**

### ***Operating leases***

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	<hr/>	<hr/>
	-	-
<b>Other</b>		
Expiring within one year	16,718	16,718
Expiring within two and five years inclusive	8,152	8,152
Expiring in over five years	-	-
	<hr/>	<hr/>
	24,870	24,870

## **21. Reconciliation of net income to net cash inflow from operating activities**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Net income	2,030,770	148,088
Depreciation (note 13)	154,840	139,545
Fixed Asset Disposal (note 13)	1,691	17,267
Capital grants from DfE/EFA and other capital income (Note 3)	(2,451,140)	(400,054)
Interest receivable (note 5)	(1,177)	(1,462)
FRS 17 pension cost less contributions payable (note 25)	66,000	16,000
FRS 17 pension finance income (note 25)	19,000	32,000
(Increase)/decrease in stocks	6,550	2,959
(Increase)/decrease in debtors	25,091	13,065
Increase/(decrease) in creditors	(55,692)	49,473
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	(204,063)	16,881

## **22. Returns on investments and servicing of finance**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Interest received	1,177	1,462
	<hr/>	<hr/>
<b>Net cash inflow from returns on investment and servicing of finance</b>	1,177	1,462

### **23. Capital expenditure and financial investment**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	(765,916)	(712,431)
Capital grants from DfE/EFA	669,911	34,054
Capital Funding received from others	1,781,229	366,000
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>1,685,224</b>	<b>(312,377)</b>

### **24. Analysis of changes in net funds**

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash in hand and at bank	<u>703,739</u>	<u>1,482,338</u>	<u>2,186,077</u>
	<u>703,739</u>	<u>1,482,338</u>	<u>2,186,077</u>

### **25. Pensions and similar obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 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; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The pension costs paid to TPS in the period amounted to £534,633 (2014: £536,378).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

## Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £366,000, of which employer's contributions totalled £286,000 and employees' contributions totalled £80,000. The agreed contribution rates for future years are 24.4% for employers and at a variable% 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.

### Principal Actuarial Assumptions

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.5%	3.4%
Rate of increase for pensions in payment / inflation	2.6%	2.6%
Discount rate for scheme liabilities	3.7%	3.7%
Inflation assumption (CPI)	3.7%	3.7%
Commutation of pensions to lump sums for pre-April 2008 Service	50%	50%
Commutation of pensions to lump sums for post-April 2008 Service	75%	75%

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

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
<i>Retiring today</i>		
Males	22.4	22.4
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	24.4	24.4
Females	26.8	26.8

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

	<b>Expected return at 31 August 2015</b>	<b>Fair value at 31 August 2015 £</b>	<b>Expected return at 31 August 2014</b>	<b>Fair value at 31 August 2014 £</b>
Equities	3.7%	1,509,000	6.3%	1,284,000
Bonds	3.7%	406,000	3.3%	353,000
Property	3.7%	248,000	4.5%	167,000
Cash	3.7%	90,000	3.3%	56,000
<b>Total market value of assets</b>		2,253,000		1,860,000
Present value of scheme liabilities				
- Funded		3,887,000		3,308,000
<b>Surplus/(deficit) in the scheme</b>		(1,634,000)		(1,448,000)

The expected rates of return are set equal to the discount rate.

The actual return on scheme assets was £45,000 (2014:£174,000).

#### **Amounts recognised in the statement of financial activities**

	<b>2015 £</b>	<b>2014 £</b>
Current service cost (net of employee contributions)	352,000	267,000
Past service cost	-	-
<b>Total operating charge</b>	352,000	267,000
<b>Analysis of pension finance income / (costs)</b>		
Expected return on pension scheme assets	111,000	91,000
Interest on pension liabilities	(130,000)	(123,000)
<b>Pension finance income / (costs)</b>	(19,000)	(32,000)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £383,000 loss (2014:£282,000 loss).

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>At 1 September</b>	3,308,000	2,515,000
Current service cost	352,000	267,000
Past service cost	-	-
Interest cost	130,000	123,000
Employee contributions	80,000	71,000
Actuarial (gain)/loss	35,000	336,000
Curtailments and settlements	-	13,000
Benefits paid	(18,000)	(17,000)
<b>At 31 August</b>	<u>3,887,000</u>	<u>3,308,000</u>

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>At 1 September</b>	1,860,000	1,860,000
Expected return on assets	111,000	91,000
Actuarial gain/(loss)	(66,000)	59,000
Employer contributions	286,000	264,000
Employee contributions	80,000	71,000
Assets distributed on settlements	-	-
Transfer in of new members	-	-
Benefits paid	(18,000)	(17,000)
<b>At 31 August</b>	<u>2,253,000</u>	<u>1,860,000</u>

The estimated value of employer contributions for the year ending 31 August 2016 is £288,000.

**The history of experience adjustments is as follows:**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Present value of defined benefit obligations</b>	(3,887,000)	(3,308,000)
<b>Fair value of share of scheme assets</b>	2,253,000	1,860,000
<b>Surplus/(Deficit) in the scheme</b>	<u>(1,634,000)</u>	<u>(1,448,000)</u>
<b>Experience adjustments on share of scheme assets</b>	<u>(66,000)</u>	<u>59,000</u>
<b>Experience adjustments on scheme liabilities:</b>	<u>3,000</u>	<u>(182,000)</u>

## **26. Fixed Asset Investments**

	Shares in group undertakings £
<b>MARKET VALUE</b>	
Cost	<u>100</u>
<b>NET BOOK VALUE</b>	
At 31 August 2015	<u><u>100</u></u>
At 31 August 2014	<u><u>100</u></u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Stratton Trust Leisure Limited  
:  
Nature of business: Facility hire and lettings

Class of share:	%
Ordinary	holding 100

	2015	2014
	£	£
Aggregate capital and reserves	100	100
Profit for the period/year	<u><u>-</u></u>	<u><u>-</u></u>

## **27. Profit of Parent Company**

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's surplus for the financial year was £1,929,770 (2014: deficit of £128,912). The directors of the subsidiary agreed to make a gift aid donation of £6,669 (2014: £10,915) to the parent company to reduce its profit for the financial period to £nil.

## **28. Related Party Transactions**

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

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

## **29. Agency arrangements**

The academy distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £20,446 and disbursed £14,438 from the fund.

An amount of £6,008 is included in other creditors relating to undistributed funds that is repayable to EFA.