Eggbuckland Community College Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2014

Registration number: 08603078

Eggbuckland Community College Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 13
Governance Statement	14 to 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 to 20
Independent Reporting Accountant's Report on Regularity	21 to 22
Statement of Financial Activities incorporating Income and Expenditure Account	23 to 24
Balance Sheet	25
Cash Flow Statement	26
Notes to the Financial Statements	27 to 48

Eggbuckland Community College Academy Trust

Reference and Administrative Details

Members	Mark Eve Ray Fairchild Peter Leverton David Miller Dawn Wharton
Governors and Trustees (Directors)	Katrina Borowski Michaela Bottomley Steven Buckler Gail Clark Mark Eve Ray Fairchild Michael Hall Lawrence Hembury Angela King Thomas Lavis (appointed 10 June 2014) Peter Leverton David Miller Rosemary Prout David Todd Dawn Wharton, Chair Paula Wooltorton
Company Secretary	Rebecca Knight
Senior Management Team	Katrina Borowski, Principal Simon Crawford, Vice Principal Matthew Corrigan, Vice Principal Rachel Towers, Assistant Principal Melissa Dennis, Assistant Principal Rebecca Knight, Business Manager Aaron Watson, Associate Assistant Principal Nicholas Swain, Associate Assistant Principal
Principal and Registered Office	Westcott Close Plymouth Devon PL6 5YB

Eggbuckland Community College Academy Trust

Reference and Administrative Details

Company Registration Number	08603078
Auditors	Francis Clark LLP Chartered Accountants and Registered Auditors North Quay House Sutton Harbour Plymouth Devon PL4 0RA
Bankers	Lloyds TSB Bank PLC Royal Parade Plymouth Devon
Solicitors	Browne Jacobson LLP 1 Manor Court Exeter Devon

Eggbuckland Community College Academy Trust

Governors' Report for the Year Ended 31 August 2014

The Governors present their annual report together with the financial statements and Auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purpose of both a Trustee's report and a Directors' report under company law.

The Trust operates an Academy for students aged 11 to 18 serving a large catchment area of Plymouth. It has a student capacity of 1350 and had a roll of 1185 in the school census on 25 October 2013.

Structure, governance and management

Constitution

The Academy Trust (incorporated on 9th July 2013) 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 Governors act as Trustees of Eggbuckland Community College Academy Trust and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Eggbuckland Community College Academy Trust.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

Any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or a breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or a breach of duty or not. Any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

Method of recruitment and appointment or election of Governors

On the conversion date the Trustees/Members appointed all those Governors that served the predecessor College to be Governors of the newly formed Academy Trust.

These Governors were appointed on a term of office that would end when their original term at the predecessor College would have ended, ensuring staggered re-election.

Those Parent Governors and elected Staff Governors, who were Governors of the predecessor College as at the conversion date were deemed to be elected for the purposes of this report.

Future Governors shall be appointed or elected, as the case may be, under the Articles of Association and Funding Agreement. In general the Academy Trust will have the following Governors:

• The Members/Trustees may appoint up to 1 Governor, subject to the Articles of Association.

• In addition, subject to Articles, the Academy Trust shall have the following Governors:
- A minimum of 2 Parent Governors
- Up to 3 Staff Governors
- The Principal
- Up to 10 Community Governors
- The Governors may appoint Co-opted Governors subject to the conditions set out in the Articles of Association.

• The total number of Governors who are employees of the Academy Trust (including the Principal) must not exceed one third of the total number of Governors.

• The Principal shall be treated for all purposes as being an ex officio Governor.

• The term of office for any Governor (except on conversion) is four years with the exception of:
- This time limit does not apply to the Principal
- A staff Governor will only hold office for so long as they continue to be employed as a Teacher or member of Support Staff

Policies and procedures adopted for the induction and training of Governors

The Academy has a Governor Recruitment Pack which is available from the Clerk to Governors. An Induction and Training Policy is in draft form.

The training and induction provided for new Governors will depend upon their existing experience but will always include a meeting with the Principal and Chair or Vice Chair of Governors, a tour of the Academy and a chance to meet staff and students. All Governors are allocated a mentor Governor, and are provided with access to the Governor area on the Academy's Sharepoint. This area holds a vast amount of information specifically to support, advise and inform Governors on every aspect of their development in this role. As part of induction their mentor signposts the new Governor to policies, procedures, minutes, accounts, plans and other documents that they will need to undertake their role as a Governor. Induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by Governor Services at the Local Authority and courses from other bodies. There is an annual Academy Trust Governor Development Day on topics brought forward by Governors. All Governors are DBS checked, on appointment, and then every three years.

Organisational structure

The Full Governing Body meets at least once each term.

The Governors establish an overall framework for the governance of the Academy and determine membership, terms of reference and procedures of Committees and other groups. This includes roles and responsibilities for all the Governors including the Principal. The Principal may delegate responsibilities to the Leadership Team as and when required.

It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Full Governing Body may from time to time establish Working Groups to perform specific tasks over a limited timescale.

Finance Committee - this meets at least once per term and is responsible for:

• Monitoring, evaluating and reviewing policy and performance in relation to financial management;

• Compliance with reporting and regulatory requirements and reporting;

• Receiving reports from the Responsible Officer;

• Drafting the annual budget including setting staffing levels;

• Incorporating the role of an Audit Committee.

Curriculum Committee - this meets at least once per term and is responsible for:

• Monitoring, evaluating and reviewing Academy policy, practice and performance in relation to curriculum planning;

• Monitoring, evaluating and reviewing target setting and assessment, examinations and academic performance;

• Monitoring, evaluating and reviewing all pastoral issues, including safeguarding;

• Reviewing and evaluating stakeholder communications.

Personnel Committee - this meets at least once per term and is responsible for:

• Ensuring that the Governing Body fulfils its duties as an employer, appoints staff and determines staffing structure;

• Considering and approving policies regarding all aspects of employment, including procedures for recruitment, appointment and management of staff;

• Making recommendations on staffing needs to meet the requirements of the curriculum, within the constraints of the budget set by the Finance Committee.

Buildings and Premises Committee - this meets at least once per term and is responsible for:

• Ensuring that a Premises Improvement Plan relating to the premises is implemented;

• Making recommendations for future financial planning in relation to the Site Improvement Plan;

• Approving and monitoring asset management plan transactions;

• Monitoring and reviewing all aspects of maintenance and improvement or repair to buildings, grounds and plant;

• Advising the Governing Body on its responsibilities under Health & Safety legislation;

• Monitoring the use of the premises both during and outside College hours, in accordance with any general rules (direction) set by the Academy and Special Educational Needs & Disability (SEND) Act.

The following decisions are reserved to the Full Governing Body:

• Considering any proposals for changes to status or constitution of the Academy and its committee structure;

• Appointing or removing the Chairman and/or Vice Chairman;

• Appointing the Principal and Clerk to Governors;

• Approving the College Improvement Plan and annual budget.

The Governors have devolved responsibility for day to day management of the Academy to the Principal and Leadership Team (LT). The LT comprises the Principal, Vice Principal(s), Assistant Principal(s), Associate Assistant Principal(s) and the Business Manager.

The Academy has a leadership structure which consists of the Governors, Leadership Team and Senior/Middle Leaders, including Curriculum Team Leaders, House Leaders and Support Staff Middle Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The LT leads the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them.

The Principal is the Accounting Officer.

Connected organisations, including related party relationships

The Academy is engaged in 3 main partnerships:

1. **Endeavour Learning Community Trust (ELCT)**. This comprises Eggbuckland Community College Academy Trust, Austin Farm Primary School, Eggbuckland Vale Primary School, Leigham Primary School, Manadon Vale Primary School, Thornbury Primary School and Widey Court Primary School. St. Edward's Church of England Primary School is a partner school and The Co-operative Movement, Plymouth Association of Secondary Heads and Plymouth Local Authority are partners.

The Trust is a Co-operative Trust and, as such, subscribes to Co-operative values and principles: self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others. These values and principles align very well with the ethos of the Academy and all the schools that have formed the Trust.

The Trust enables those directly involved in the Academy and partner schools, whether they are students, staff or parents/carers, to engage in the long-term strategic direction through membership of the Trust. The Academy believe very strongly that, through working together with partners, the sharing of expertise and resources will bring out the very best in students and help them to achieve to their full potential, encouraging them to make a positive contribution to their community.

2. **Plymouth Learning Trust (PLT)**. This comprises all 16 Plymouth secondary schools and its mission is to provide the best educational experience possible for all Plymouth secondary children.

3. **Plymouth Association of Primary Heads Community Interest Company (PAPH CIC)**. This organisation also subscribes to the Co-operative values and, like PLT, aspires to do the very best for all Plymouth schoolchildren.

Governors' Report for the Year Ended 31 August 2014

Objectives and activities

Objects and aims

The principal object(s) and activity of the Academy is to:

• Advance for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, managing, and developing a College, offering a broad range of curriculum for students of different abilities;

• Provide free education and care for students of different abilities between the ages of 11 and 18. The Academy's specialism is Creative Arts.

The aims of the Academy during the period ending 31 August 2014 are summarised below:

• To continue to raise the standard of educational attainment so that all students make at least the expected levels of progress for their ability;

• To develop students as more effective learners;

• To continue to provide a broad, balanced and relevant curriculum, including extra-curricular activities which provides pathways that take account of students' needs;

• To ensure that provision of high quality information, advice and guidance is in place;

• To provide high quality professional development for all staff;

• To improve the Academy facilities and learning environment so that it enables students to achieve their full potential;

• To comply with all appropriate statutory and curriculum requirements;

• To develop coherence, clarity and effectiveness in College systems;

• To provide value for money for the funds expended;

• To work closely with our partner primary schools to support the successful transition of students;

• To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

The Academy aims to achieve the best for, and from, each child. It intends to enable each child to realise his or her full academic, creative and physical potential and develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Eggbuckland Community College Academy Trust

Governors' Report for the Year Ended 31 August 2014

Objectives, strategies and activities

Key priorities for the period are contained in our College Improvement Plan (CIP) which on our website.

The main CIP objectives for the period were as follows:

- To raise levels of achievement at all Key Stages
- To improve the quality of teaching at all Key Stages
- To improve behaviour and safety
- To improve the sustainability of our College

Key activities and targets were identified in the CIP and were driven by our self-evaluation and influenced by the challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status.

Public benefit

The Governors are satisfied that the Academy has complied with its requirement for the public benefit of secondary education for boys and girls in Plymouth. This can be demonstrated by the continued excellent public examination results achieved by the students of the Academy and the destination choices of the majority of its students. Additionally, the Academy engages with the local community and demonstrates a continued commitment to:

- Education
- Community Cohesion
- Provision of services for the community
- Extended use of buildings

Eggbuckland Community College Academy Trust

Governors' Report for the Year Ended 31 August 2014

Strategic Report

Achievements and performance
In Spring 2014, we were delighted to be recognised as the top performing comprehensive school in Plymouth for our students' achievements at Key Stage 4. In addition, we closed the gap between performance of FSM and non-FSM children.

In Summer 2014, 50% of Year 11 achieved 5 or more A* - Cs, with English and Maths, and we further closed the FSM and non-FSM gap.

Our academic success led to the Department of Education approving our application as an academy sponsor, as well as local primary schools asking us to formally sponsor them.

We are proud that we were redesignated with Investors in People and Investor in Careers for the fifth and sixth times respectively.

In addition, we were also identified by The English Table Tennis Association as one of only 4 national development centres.

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.

Principal risks and uncertainties

The principal risks and uncertainties facing the Academy Trust are as follows:

Financial - the Academy Trust has considerable reliance on continued Government funding through the EFA. In the last period 94% of the Academy Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that the funding levels will be maintained in real terms in the short/medium term (3-5 years). In fact, significant funding change has begun this year and continues with uncertainty over the new funding formula relating to KS3, KS4 and Post-16. Flat growth in funding against a background of rising cost pressure will increase the need for prudent budgeting and contingency planning.

Falling roll in Plymouth - for the past 10 years student secondary school numbers have been falling in Plymouth. Initially, this had no impact on roll, at the Academy Trust, but for the past 5 years the numbers joining year 7 have fallen. Coupled with two new schools opening numbers are not expected to increase in the short term. To mitigate this risk, the Governors ensure that student success and achievement are closely monitored and have invested in a marketing campaign.

Physical Environment - ongoing concerns over funding levels in the short/medium term also translate into capital funding availability from the EFA.

The Academy Trust is developing a Master Plan to deliver significant improvements to the buildings and infrastructure.

Strategic Report

However, the general condition of the buildings is a perennial problem requiring ongoing attention and consistent levels of capital funding. If the necessary capital funds are not forthcoming (from the EFA) the environment will suffer at a relatively fast pace due to the design/age of the buildings. This area will require careful monitoring to ensure that the learning/working environment is sufficient, suitable and in acceptable condition. The Academy Trust's ability to guarantee this objective is uncertain.

The Academy Trust maintains a Risk Register, reviewing and updating on a regular basis.

Financial review

The vast majority of the Academy's income is obtained from the DfE via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular educational purposes. The grants received from the DfE during the period ended 31 August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy has also received grants from other organisations to deliver specific projects:
The Big Lottery Fund, Awards for All (£7,588)
Big Green Space (£3,980)
Living in the Natural Environment (from Plymouth City Council, £2,500)
Tesco (£1,250)
Sport England (£8,820)
Football Foundation (£5,431)
Institute of Physics (£475)
British Council (£2,400)

During the period ending 31 August 2014, total expenditure of £6,680k was covered by recurrent grant funding from the EFA, together with other incoming resources of £506k. The excess income over expenditure for the period (excluding restricted fixed asset funds and the restricted pension reserve) was £279k. As the deficit carry forward from the predecessor College was £47,571 this represents significant progress and demonstrates robust budgetary management with a view to setting funds aside as a contingency.

At 31 August 2014 the net book value of fixed assets was £12,931k and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used almost exclusively for providing education and the associated support services to the students of the Academy.

Strategic Report

Reserves policy

In a period of substantial financial uncertainty related to proposed Government changes to the funding formula for schools, the Academy Trust has produced budgets that ensure a surplus.

The Governors review the reserve levels of the Academy Trust annually, when setting the annual budget. This review encompasses the nature of income and expenditure streams, the need to match revenue income with commitments through budgetary control and also the strategic use of for reserves. The Governors take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Academy Trust's total reserves as the Balance Sheet date at 31 August 2014 comprised on £181k of unspent GAG and £108k of unrestricted funds.

General reserves will be allocated to Academy improvement priorities. This will include allocation to further Capital project commitment. Other considerations for the use of reserves are:

- Fixed Asset/Equipment replenishment, including forge replacement (£18,000) and new Drama Studio seating (£45,000)
- IT replacement (£10,000)
- Cost pressure turbulence
- Contingency for falling secondary rolls in Plymouth
- Multi-academy trust conversion (£45,000).

Investment policy

The Academy Trust aims to manage its cash balances 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 Academy Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

The Academy Trust current account pays a small amount of interest and the Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. The Academy Trust is authorised to invest funds only in specific Banks all of which are authorised and monitored by the Financial Services Authority. No other form of investment is authorised. Day-to-day management of the surplus funds is delegated to the Principal and Business Manager within strict guidelines approved by the Governing Body.

Plans for future periods

A key focus of the College is to continue to embed 'Building Learning Habits' so that students become more effective learners. Also, with a significantly changing national examination regime, it is crucial that we prepare students thoroughly for the pressures of future exams, and this has been supported by a move towards a 3-year Key Stage 4 programme.

In addition, we continue to explore creative ways in which we can develop our site and improve our learning environment.

We will also be continuing to explore the feasibility of forming a Multi-Academy Trust with a local primary school.

Funds held as Custodian Trustee on behalf of others

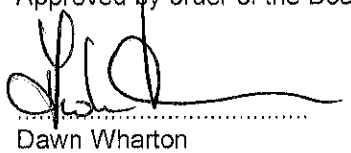
The Academy Trust is not a Custodian Trustee for others.

Auditor

In so far as the are aware:

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

Approved by order of the Board of Governors on 26/11/14 and signed on its behalf by:



Dawn Wharton
Chair of governors

Eggbuckland Community College Academy Trust

Governance Statement

Statement on governance and internal control

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

The Governing Body has delegated the day-to-day responsibility to Katrina Borowski as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Eggbuckland Community College Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance
The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Director	Meetings attended	Out of a possible
Dawn Wharton	4	4
Katrina Borowski	4	4
Michaela Bottomley	4	4
Steven Buckler	4	4
Gail Clark	3	4
Mark Eve	3	4
Ray Fairchild	3	4
Michael Hall	2	4
Lawrence Hembury	2	4
Angela King	3	4
Thomas Lavis	2	2
Peter Leverton	4	4
David Miller	2	4
Rosemary Prout	4	4
David Todd	4	4
Paula Wooltorton	2	4

The only significant change on the Governing Body was the appointment of Mr Thomas Lavis. There were a small number of rotational moves designed to increase Governors overall experience across the committee structure.

Governance Statement (continued)

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to deal with matters of finance and audit. Attendance at meetings during the year was as follows:

Members of the Committee	Meetings attended	Out of a possible
Dawn Wharton	3	4
Peter Leverton	4	4
Michaela Bottomley	2	2
Mark Eve	3	4
Angela King	3	4
David Miller	2	4
Paula Wooltorton	2	4

The purpose of the system of internal control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Eggbuckland Community College Academy Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk
The Governing Body has reviewed the key risks to which the Academy 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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 Governing Body has considered the need for a specific internal audit function and has decided to appoint Mandy Vickery of St Kew Accountancy Limited as Responsible Officer (RO)

Governance Statement (continued)

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the RO to date.

Review of effectiveness

As Accounting Officer, Miss Katrina Borowski has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee 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 26/11/14 and signed on its behalf by:

Dawn Wharton
Chair of governors

Katrina Borowski
Accounting Officer

Eggbuckland Community College Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Eggbuckland Community College Academy Trust I have considered my responsibility to notify the Trust Board 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

.....

Katrina Borowski
Accounting officer

Date.....27/11/14.....

Eggbuckland Community College Academy Trust

Statement of Trustees' Responsibilities

The trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

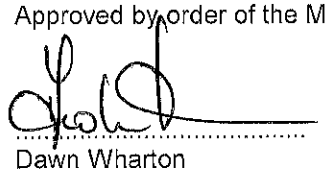
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed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

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

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

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

Approved by order of the Members of the Board on 26/11/14 and signed on its behalf by:



Dawn Wharton
Chair of governors

Eggbuckland Community College Academy Trust

Independent Auditor's Report on the Financial Statements to the members of Eggbuckland Community College Academy Trust

We have audited the financial statements of Eggbuckland Community College Academy Trust for the year ended 31 August 2014, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's Trustees, 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 charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees 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 18), 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 (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 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 Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Independent Auditor's Report on the Financial Statements to the members of Eggbuckland Community College Academy Trust (continued)

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.

.....

Charles Evans (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP, Statutory Auditor

North Quay House
Sutton Harbour
Plymouth
Devon
PL4 0RA

Date: 26/11/14

Eggbuckland Community College Academy Trust

Independent Reporting Accountant's Report on Regularity to Eggbuckland Community College Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 7 November 2013 and further to the requirements of the Education Funding Authority (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2013 to 31 August 2014 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 the Trust Board and the EFA. Our review work has been undertaken so that we may state to the Trust Board and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Trust Board and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the governing body and Auditors

The Trust Board is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Annual Accounts Direction issued by the Education Funding Agency We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

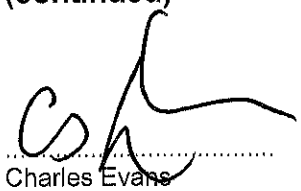
The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant transactions

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 from 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Independent Reporting Accountant's Report on Regularity to Eggbuckland Community College Academy Trust and the Education Funding Agency (continued)



.....
Charles Evans
For and on behalf of Francis Clark LLP, Chartered Accountants

North Quay House
Sutton Harbour
Plymouth
Devon
PL4 0RA

Date: 26/11/14

Eggbuckland Community College Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2014 £ 000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income					
Transfer on conversion	2	26	12	13,149	13,187
Other voluntary income	2	(46)	82	-	36
Activities for generating funds	3	310	10	-	320
Investment income	4	1	-	-	1
Incoming resources from charitable activities:					
Funding for the Trust's educational operations	5	-	6,753	46	6,799
Total incoming resources		291	6,857	13,195	20,343
Resources expended					
Cost of generating funds:					
Cost of generating funds		216	14	-	230
Charitable activities:					
Trust's educational operations		-	6,588	262	6,850
Governance costs	8	-	22	-	22
Total resources expended	6	216	6,624	262	7,102
Net incoming resources before transfers		75	233	12,933	13,241
Gross transfers between funds		31	(60)	29	-
Net income for the year		106	173	12,962	13,241
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	23	-	(484)	-	(484)
Net movement in funds/(deficit)		106	(311)	12,962	12,757
Reconciliation of funds					
Deficit brought forward at 1 September 2013		-	(1,731)	-	(1,731)
Funds/(deficit) carried forward at 31 August 2014		106	(2,042)	12,962	11,026

Eggbuckland Community College Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2014 £ 000

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.

Eggbuckland Community College Academy Trust

(Registration number: 08603078)
Balance Sheet as at 31 August 2014

	Note	2014 £ 000
Fixed assets		
Tangible assets	12	12,931
Current assets		
Debtors	13	171
Cash at bank and in hand		577
		748
Creditors: Amounts falling due within one year	14	(303)
Net current assets		445
Total assets less current liabilities		13,376
Net assets excluding pension liability		13,376
Pension scheme liability	23	(2,350)
Net assets including pension liability		11,026
Funds of the Academy:		
Restricted funds		
Restricted general fund		306
Restricted fixed asset fund		12,962
Restricted pension fund		(2,350)
		10,918
Unrestricted funds		
Unrestricted general fund		108
Total funds		11,026

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue on 26/11/14 and signed on their behalf by:

Dawn Wharton
Director

Eggbuckland Community College Academy Trust

Cash Flow Statement for the Year Ended 31 August 2014

	Note	2014 £ 000
Net cash inflow from operating activities	18	582
Returns on investments and servicing of finance	19	1
Capital expenditure and financial investment	20	(6)
Increase in cash in the year	21	577

Reconciliation of net cash flow to movement in net funds

Increase in cash in the year	577	-
Net funds at 1 September 2013	-	-
Net funds at 31 August 2014	577	-

1 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 Annual Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

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

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

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

1 Accounting policies (continued)

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

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

Governance costs

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

Tangible fixed assets
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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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.

Asset class	Depreciation method and rate
Freehold buildings	2% straight line
Furniture & equipment	20% straightline
Motor vehicles	20% straight line
Computer equipment	33% straight line

1 Accounting policies (continued)

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

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.

Pension 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 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 the notes to the financial statements, 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.

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/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 Education Funding Agency/Department for Education.

2 Voluntary income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2014 £ 000
Transfer on conversion	26	12	13,149	13,187
Other voluntary income				
Educational trips and visits	-	82	-	82
Surplus brought forward from local authority	(48)	-	-	(48)
Other donations	2	-	-	2
	(46)	82	-	36
Total voluntary income	(20)	94	13,149	13,223

3 Activities for generating funds

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2014 £ 000
Hire of facilities	72	-	72
Catering income	132	-	132
Recharges and reimbursements	1	-	1
Other income	103	-	103
College fund	2	10	12
	310	10	320

4 Investment income

	Unrestricted funds £ 000	Total 2014 £ 000
Short term deposits	1	1

5 Funding for Trust's educational operations

	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2014 £ 000
DfE/EFA capital grants			
Devolved Formula Capital allocations	-	25	25
DfE/EFA revenue grants			
General Annual Grant (GAG)	6,259	-	6,259
Other DfE / EFA grants	383	-	383
	6,642	-	6,642
Other government grants			
Local Authority Grants	111	7	118
Other government grants	-	14	14
	111	21	132
Total grants	6,753	46	6,799

6 Resources expended

	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2014 £ 000
Costs of activities for generating funds	104	-	126	230
Academy's educational operations				
Direct costs	4,680	262	661	5,603
Allocated support costs	653	334	260	1,247
	5,333	596	921	6,850
Governance costs including allocated support costs	2	-	20	22
	5,439	596	1,067	7,102

Net incoming/outgoing resources for the year include:

	2013 £ 000
Fees payable to auditor - audit	7
- other audit services	2

7 Charitable activities - Academy's educational operations

	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2014 £ 000
Direct costs			
Teaching and educational support staff costs	4,680	-	4,680
Depreciation	-	262	262
Educational supplies	136	-	136
Examination fees	93	-	93
Staff development	5	-	5
Other direct costs	427	-	427
	5,341	262	5,603
Allocated support costs			
Support staff costs	582	-	582
FRS 17 service cost adjustment	71	-	71
Maintenance of premises and equipment	141	-	141
Cleaning	9	-	9
Rent and rates	140	-	140
Insurance	44	-	44
Recruitment and support	2	-	2
Security & transport	52	-	52
Bank interest and charges	1	-	1
Interest on defined benefit pension scheme	64	-	64
Professional fees	75	-	75
Other support costs	66	-	66
	1,247	-	1,247
	6,588	262	6,850

8 Governance costs

	Restricted funds £ 000	Total 2014 £ 000
Legal and professional fees	10	10
Auditors' remuneration		
Audit of financial statements	7	7
Other audit services	2	2
Responsible officer audit	1	1
Support costs	2	2
	22	22

9 Staff costs

	2014 £ 000
Staff costs during the year were:	
Wages and salaries	4,401
Social security costs	314
Pension costs	683
Supply teacher costs	31
Staff restructuring costs	10
	5,439

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £10,000 (2013: £Nil). Payments exceeding £5,000 individually are as follows:

Non-contractual payments £10,000

9 Staff costs (continued)

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

	2014 No
Charitable Activities	
Teachers	72
Administration and support	86
Management	9
	167

The number of employees whose emoluments (excludes pension contributions) fell within the following bands was:

	2014 No
£60,001 - £70,000	2
£100,001 - £110,000	1

3 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £33,703.

10 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration (includes pension contributions) in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

Katrina Borowski (Principal): £120,000 - £125,000 (2013 -)

Steven Buckler (Staff governor): £45,000 - £50,000 (2013 -)

David Todd (Staff governor): £15,000 - £20,000 (2013 -)

During the year ended 31 August 2014, no travel and expenses were reimbursed to trustees.

Related party transactions involving the trustees are set out in note 24.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,560.

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

12 Tangible fixed assets

	Freehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost					
Additions	8	21	-	16	45
Inherited assets	13,031	68	1	48	13,148
At 31 August 2014	13,039	89	1	64	13,193
Depreciation					
Charge for the year	223	18	-	21	262
At 31 August 2014	223	18	-	21	262
Net book value					
At 31 August 2014	12,816	71	1	43	12,931

13 Debtors

	2014 £ 000
Trade debtors	25
Prepayments	39
Accrued grant and other income	67
VAT recoverable	38
Other debtors	2
	171

14 Creditors: amounts falling due within one year

	2014 £ 000
Trade creditors	30
Other taxation and social security	185
Other creditors	48
Accruals	40
	303

15 Funds

	Balance at 1 September 2013 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2014 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	6,258	(6,013)	(63)	182
LA and other restricted grants	-	597	(476)	3	124
	-	6,855	(6,489)	(60)	306
Restricted fixed asset funds					
Assets purchased since conversion	-	-	(9)	44	35
Assets transferred from the LA	-	13,149	(253)	-	12,896
DfE / EFA capital grants	-	25	-	-	25
Other capital grants	-	21	-	(15)	6
	-	13,195	(262)	29	12,962
Restricted pension funds					
Pension reserve	(1,731)	196	(815)	-	(2,350)
Total restricted funds	(1,731)	20,246	(7,566)	(31)	10,918
Unrestricted funds					
Unrestricted general funds	-	293	(216)	31	108
Total funds	(1,731)	20,539	(7,782)	-	11,026

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 2014

16 Analysis of net assets between funds

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	12,931	12,931
Current assets	127	590	31	748
Current liabilities	-	(303)	-	(303)
Pension scheme liability	-	(2,350)	-	(2,350)
Total net assets	127	(2,063)	12,962	11,026

17 Financial commitments

Operating leases

At 31 August 2014 the Trust had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £ 000
Other	
Within one year	27
Within two to five years	29
	56

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

	2014 £ 000
Net income	13,241
Depreciation	262
Cash transferred on conversion to an academy trust (enter as -ve)	38
Capital grants	(39)
Donated capital	(13,149)
FRS 17 interest on defined benefit pension scheme	64
FRS17 service cost adjustment	71
Increase in debtors	(171)
Increase in creditors	303
Cash transferred on conversion to an academy trust	(38)
Net cash inflow from operating activities	582

19 Returns on investments and servicing of finance

	2014 £ 000
Interest received	1
Net cash inflow from returns on investments and servicing of finance	1

20 Capital expenditure and financial investment

	2014 £ 000
Purchase of tangible fixed assets	(45)
Capital grants from DfE	25
Capital grants from others	14
Net cash outflow from capital expenditure and financial investment	(6)

21 Analysis of changes in net funds

	At 1 September 2013 £ 000	Cash flows £ 000	At 31 August 2014 £ 000
Cash at bank and in hand	-	577	577

22 Members' liability

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

23 Pension 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 Devon County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate ("SCR") was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

23 Pension and similar obligations (continued)

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and 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 and the implications for the academy in terms of the anticipated contribution rates.

23 Pension and similar obligations (continued)

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 2014 was £266,000 of which employer's contributions totalled £196,000 and employees' contributions totalled £70,000. The agreed contribution rates for future years are 14.3% for employers and 5.5% to 7.5% for employees.

Principal actuarial assumptions

	At 31 August 2014 %	At 31 August 2013 %
Rate of increase in salaries	4.50	4.70
Rate of increase for pensions in payment/inflation	2.70	2.90
Discount rate for scheme liabilities	4.00	4.70
Inflation assumptions (CPI)	2.70	2.90
RPI increases	3.50	3.70

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

Adjustment to discount rate	**+ 0.1% £ 000**	**0.0% £ 000**	**- 0.1% £ 000**
Present value of total obligation	3,629	3,741	3,857
Projected service cost	311	321	331

Adjustment to rate of inflation	**+ 0.1% £ 000**	**0.0% £ 000**	**- 0.1% £ 000**
Present value of total obligation	3,832	3,741	3,653
Projected service cost	331	312	311

Adjustment to rate of salary growth	**+ 0.1% £ 000**	**0.0% £ 000**	**- 0.1% £ 000**
Present value of total obligation	3,767	3,741	3,751
Projected service cost	321	321	321

Adjustment to mortality age rating assumption	**+ 1 Year £ 000**	**None £ 000**	**- 1 Year £ 000**
Present value of total obligation	3,614	3,741	3,870
Projected service cost	310	321	332

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

23 Pension and similar obligations (continued)

	At 31 August 2014
Retiring today	
Males retiring today	23.00
Females retiring today	26.00
Retiring in 20 years	
Males retiring in 20 years	25.00
Females retiring in 20 years	28.00

23 Pension and similar obligations (continued)

The Trust's share of the assets and liabilities in the scheme were:

	At 31 August 2014 £ 000	At 31 August 2013 £ 000
Equities	828	625
Gilts	77	136
Other bonds	57	-
Property	135	72
Cash	29	32
Other	265	152
Total market value of assets	1,391	1,017
Present value of scheme liabilities - funded	(3,741)	(2,748)
Deficit in the scheme	(2,350)	(1,731)

The expected rates of return were:

	At 31 August 2014 %	At 31 August 2013 %
Equities	6.70	7.10
Gilts	3.00	3.70
Other bonds	3.60	-
Property	5.90	6.10
Cash	2.90	3.50
Other	5.90	6.50

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £108,000.

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2014 £ 000
Current service cost	267
Total operating charge	267

Analysis of pension finance income/(costs)

	2014 £ 000
Expected return on pension scheme assets	73
Interest on pension liabilities	(137)
Pension finance costs	(64)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£968,000) (2013 - (£484,000)).

Movements in the present value of defined benefit obligation

	2014 £ 000
At 1 September	2,748
Current service cost	267
Interest cost	137
Employee contributions	70
Actuarial losses	519
At 31 August	3,741

23 Pension and similar obligations (continued)

Movements in the fair value of Trust's share of scheme assets

	2014 £ 000
At 1 September	1,017
Expected return on assets	73
Actuarial gains	35
Employer contributions	196
Employee contributions	70
At 31 August	1,391

The estimated value of employer contributions for next period is £193,000 (2013 - £Nil).

History of experience adjustments

	2014 £ 000
Experience adjustments arising on scheme assets	35
Experience adjustments arising on scheme liabilities	-

Comparative figures have not been restated as permitted by FRS 17.

24 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have 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.

There were no related party transactions in the year.

25 Conversion to an academy trust

On 1 September 2013 Eggbuckland Community College converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Eggbuckland Community College Academy Trust from Plymouth City 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 in the Statement of Financial Activities as voluntary income.

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

25 Conversion to an academy trust (continued)

	Unrestricted fund £ 000	Restricted fixed asset fund £ 000	Total £ 000
Tangible fixed assets			
Freehold land and buildings	-	13,031	13,031
Other tangible fixed assets	-	118	118
Budget deficit on LA funds	(48)	-	(48)
Budget surplus on other school funds	38	-	38
Net (liabilities)/assets	(10)	13,149	13,139

The above net assets include £19,577 that were transferred as cash.