INDEPENDENT AUDITORS1 REPORT TO THE MEMBERS OF ENDEROTH SCHOOL

YEAR ENDED 31 AUGUST 2016

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 charity has not kept adequate accounting records, 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.

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Notes | Unrestricted  Funds  £'000 | Restricted  General  Funds  £'000 | Restricted Fixed asset Funds £'000 | Total  2016  £'000 | Total  2015  £'000 |
| Income and endowments from:  Donations and capital grants | 5 | 9 |  | 1,400 | 1,409 | 2,484 |
| Charitable activities:  - Funding for educational operations | 6 |  | 6,535 | . | 6,535 | 6 127 |
| Other trading activities | 7 | 57 | 245 | - | 302 | 245 |
| Investments | 8 | 5 | 2 | - | 7 | 6 |
| Total income and endowments |  | 71 | 6,782 | 1,400 | 8,253 | 8,862 |
| Expenditure on: | | | | | | |
| Raising funds | 9 | 59 | - | - | 59 | 47 |
| Charitable activities - Academy trust educational operations | 10 | - | 6,730 | 262 | 6.992 | 6,483 |
| Total expenditure | 9 | 59 | 6,730 | 262 | 7,051 | 6 530 |
| Gains on investments |  | - | - | - | - | (2) |
| Net income |  | 12 | 52 | 1,138 | 1,202 | 2,330 |
| Transfers between funds |  | - | (14) | 14 | - | - |
| Other recognised gains and losses  Re-measurement of net defined benefit obligations | 27 |  | (710) |  | (710) | 52 |
| Net movement in funds |  | 12 | (672) | 1,152 | 492 | 2,382 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward |  | 379 | (520) | 12,192 | 12,051 | 9,669 |
| Total funds carried forward |  | 391 | (1,192) | 13,344 | 12,543 | 12,051 |

ENDEROTH SCHOOL

BALANCE SHEET AS AT 31 AUGUST 2016

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Notes | £'000 | £'000 | £'000 | £'000 |
| Fixed assets  Tangible assets | 14 |  | 12,626 |  | 10,638 |
| Investments | 15 |  | 16 |  | 13 |
|  |  |  | 12.S42 |  | 10,651 |
| Current assets  Stocks | 16 | 4 |  | 3 |  |
| Debtors | 17 | 518 |  | 470 |  |
| Cash at bank ana in hand |  | 2,077 |  | 2,477 |  |
|  |  | 2,599 |  | 2.950 |  |
| Current liabilities  Creditors amounts falling due within one year | 18 | (865) |  | (566) |  |
| Net current assets |  |  | 1,734 |  | 2,384 |
| Total assets less current liabilities |  |  | 14,376 |  | 13,035 |
| Creditors: amounts tailing due after more than one year | 19 |  | (162) |  | (83) |
| Net assets excluding pension liability |  |  | 14,214 |  | 12.952 |
| Defined benefit pension liability | 27 |  | (1,671) |  | (901) |
| Net assets |  |  | 12,543 |  | 12,051 |
| Funds of the academy trust: Restricted funds  - Restricted fixed asset funds | 21 |  | 13,344 |  | 12,192 |
| - Restricted general funds |  |  | 479 |  | 381 |
| - Pension reserve |  |  | (1,671) |  | (901) |
| Total restricted funds |  |  | 12,152 |  | 11,672 |
| Unrestricted income funds | 21 |  | 391 |  | 379 |
| Total funds |  |  | 12,543 |  | 12,051 |

The financial statements set out on pages 21 to 45 were approved by the board of trustees and authorised for issue on behalf of Enderoth and are signed on its behalf by:

**Mr Neill De Roth** Chair of governors

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

2016 2015

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Notes | £'000 | £'000 | £'000 | £'000 |
| Cash flows from operating activities  Net cash provided by (used in) operating activities 25 |  | 446 |  | (53) |
| Cash flows from investing activities  Dividends, interest and rents from investments Capital grants from DofE and EFA Payments to acquire tangible fixed assets Payments to acquire investments | 7  1,400  (2,250)  (3) | (846) | 6  2,480  (1,131) | 1,355 |
| Change in cash and cash equivalents in the reporting period |  | (400) |  | 1 302 |
| Cash and cash equivalents at beginning of the year |  | 2,477 |  | 1,175 |
| Cash and cash equivalents at end of the year |  | 2,077 |  | 2,477 |

1. Accounting policies General information

Enderoth School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

Basis of preparation

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Enderoth School meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

Changes in accounting policies

These financial statements are the first financial statements of Enderoth School prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (FRS 102). The financial statements of Enderoth School for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 31.

The financial statements are presented in sterling which is also the functional currency of tne Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest £1,000, except where otherwise indicated.

Going concern

The trustees assess wnether 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 abii'Ly 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.

At the balance sneet date the Academy had net assets of £12.54m after providing for long term pension scheme commitments of £1,671k in respect of the support staff defined benefit pension scheme. Net current assets were £1,734k (2015: £2,384) and cash balances amounted to £2,077k (2015: £2,477).

The Trustees have reviewed and approved budgets and cashflow forecasts for 2016/17 and future years, and consider in the light of this review that it is appropriate to prepare the financial statements on a going concern basis.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

1 Accounting policies (Continued)

Grants

Fixed asset grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received tor specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

The general annual grant (‘the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

Other income

Other income, including the hire of facilities is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated poods, facilities and services

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations also a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified oy activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset’s use.

All resources expended are inclusive of irrecoverable VAT and net of claimed VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases.

Freehold land and buildings 2% straight line

Assets in the course of construction Not depreciated

Fixtures, fittings and equipment 20% - 25% straight line

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.

1 Accounting policies (Continued)

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

Financial Instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument’s contractual obligations, rather than the financial instrument’s legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset oi financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Investments

Listed investments are initially measured at cost and subsequently measured at fair value at the reporting date. The Statement of Financial Activities (SOFA) includes the net gains and losses arising on revaluations and disposal during the year.

Stock

Stock is valued at the lower of cost and net realizable 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 far UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1 Accounting policies (Continued)

Pension’s benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme (TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

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 quadrennial valuations using a projected unit method. The TPS s a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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 credit 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 net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rare used to discount the benefit obligations The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised 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 trustees.

Restricted fixed asset funds are resources which are to De applied to specific capital purposes imposed by Department of Education, where the asset acquired or created is held for a specific purpose

Restricted general funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Department for Education.

Agency arrangements

The Academy acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

1. Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and labilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety cf assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach also a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees believe that critical areas of judgement do not have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Comparative year information | Unrestricted | Restricted funds: | | Total |
| Year ended 31 August 2015 | Funds | General | Fixed asset | 2015 |
|  | £'000 | £'000 | £'000 | £'000 |
| Income and endowments from:  Donations and capital grants | 4 | . | 2,480 | 2,484 |
| Charitable activities:  - Funding for educational operations | . | 6,127 |  | 6,127 |
| Other trading activities | 43 | 202 | - | 245 |
| Investments | 5 | 1 | - | 6 |
| Total income and endowments | 52 | 6 330 | 2.480 | 8,862 |
| Expenditure on:  Raising funds | 47 |  |  | 47 |
| Charitable activities:  - Educational operations | - | 6,212 | 271 | 6,483 |
| Total expenditure | 47 | 6,212 | 271 | 6,530 |
| Gains on investments | - | (2) | - | (2) |
| Net income/(expenditure) | 5 | 116 | 2,209 | 2,330 |
| Transfers between funds | - | (18) | 18 | - |
| Other recognised gains and losses  Actuarial gains/(losses) on defined benefit pension schemes |  | 52 | \* | 52 |
| Net movement in funds | 5 | 150 | 2,227 | 2.382 |

4 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2016 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.

The academy trust has not exceeded these limits during the year ended 31 August 2016

5 Donations and capital grants

6 Funding for the academy trust's educational operations

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Unrestricted | Restricted | Total | Total |
|  | funds | funds | 2016 | 2015 |
| DfE / EFA grants | £'000 | £'000 | £'000 | £'000 |
| General annual grant (GAG) | - | 6,151 | 6,151 | 5,729 |
| Other DofE / EFA grants | - | 152 | 152 | 143 |
|  | - | 6,303 | 6.303 | 5,872 |
| Other government grants | | | | |
| Special educational policies | \* | 62 | 62 | 106 |
| Other funds | | | | |
| Other incoming resources | \* | 170 | 170 | 149 |
| Total funding | - | 6,535 | 6,535 | 6,127 |
| Other trading activities | | | | |
|  | Unrestricted | Restricted | Total | Total |
|  | funds | funds | 2016 | 2015 |
|  | £'000 | £'000 | £'000 | £'000 |
| Hire of facilities | 4 | - | 4 | 1 |
| Catering income | 27 | - | 27 | 21 |
| School events | 26 | - | 26 | 21 |
| Other income | - | 245 | 245 | 202 |
|  | 57 | 245 | 302 | 245 |

Capital grants Other donations

|  |  |  |  |
| --- | --- | --- | --- |
| Unrestricted | Restricted | Total | Total |
| funds | funds | 2016 | 2015 |
| £'000 | £'000 | £'000 | £'000 |
|  | 1,400 | 1,400 | 2,480 |
| 9 | - | 9 | 4 |
| 9 | 1,400 | 1,409 | 2,484 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Unrestricted | Restricted | Total | Total |
|  | funds | funds | 2016 | 2015 |
|  | £'000 | £'000 | £'000 | £000 |
| Short term deposits | 5 | - | 5 | 6 |
| Other investment income | - | 2 | 2 | - |
|  | 5 | 2 | 7 | 6 |
| Expenditure |  |  |  |  |
|  | Staff Premises | Other | Total | Total |
|  | costs & equipment | costs | 2016 | 2015 |
|  | £'000 £'000 | £'000 | £'000 | £000 |
| Expenditure on raising funds | - | 59 | 59 | 47 |
| Academy's educational operations |  |  |  |  |
| - Direct costs | 4,598 262 | 588 | 5 448 | 5,221 |
| Allocated support costs | 689 518 | 337 | 1,544 | 1,262 |
| Total expenditure | 5,287 780 | 984 | 7,051 | 6,530 |
| Net income/(expenditure) for the year includes: | |  | 2016 | 2015 |
|  |  |  | £'000 | £'000 |
| Tees payable to auditor |  |  |  |  |
| -Audit |  |  | 13 | 13 |
| Other services |  |  | 6 | 6 |
| Operating lease rentals |  |  | 26 | 14 |
| Net interest on defined benefit pension liability | |  | 34 | 33 |
| Depreciation of tangible fixed assets |  |  | 262 | 271 |

9

Investment income

1C Charitable activities

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | 2016 | 2015 |
|  |  |  | £'000 | £'000 |
| All from restricted funds:  Direct costs - educational operations |  |  | 5,448 | 5,221 |
| Support costs - educational operations |  |  | 1,544 | 1,262 |
|  |  |  | 6,992 | 6,483 |
|  |  |  | 2016 | 2015 |
|  |  |  | £'000 | £'000 |
| Analysis of support costs  Support staff costs |  |  | 689 | 632 |
| Technology costs |  |  | 55 | 42 |
| Premises costs |  |  | 518 | 334 |
| Other support costs |  |  | 263 | 235 |
| Governance costs |  |  | 19 | 19 |
|  |  |  | 1,544 | 1,262 |
| Staff costs |  |  | 2016 | 2015 |
|  |  |  | £'000 | £'000 |
| Wages and salaries |  |  | 4,078 | 3,977 |
| Social security costs |  |  | 354 | 295 |
| Other pension costs |  |  | 738 | 630 |
| Total staff costs |  |  | 5,170 | 4,902 |
| Supply staff costs |  |  | 117 | 106 |
|  |  |  | 5,287 | 5,008 |
| Staff numbers |  |  |  |  |
| The average number of persons employed by the academy trust during the year was as follows. | | | |  |
|  | 2016 | 2016 | 2015 | 2015 |
|  | Number | FTE | Number | FTE |
| Teachers | 101 | 82 | 99 | 82 |
| Administration and support | 95 | 36 | 32 | 32 |
| Management | 7 | 7 | 7 | 6 |
|  | 203 | 125 | 188 | 120 |

1. Staff costs (Continued)

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|  |  |  |
| --- | --- | --- |
|  | 2016 | 2015 |
|  | Number | Number |
| £60,001 -£70,000 | 3 | 4 |
| £70,001 -£80,000 | 1 | 1 |
| £90,001 -£100,000 | 1 | 1 |
| £100,001 + | 1 | - |

All but one of the above employees participated in the Teachers’ Pension Scheme a defined benefit scheme.

Key management personnel

The key management personnel of the academy trust compose the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £583,981 (2015-£613,159).

1. Trustees' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment not in respect of their services as governors. Other- governors did not receive any payments from the Academy Trust in respect of their role as governors. The value of the Executive Head teacher’s remuneration was £129,397 for the year ended 31 August 2016 (2015: £97,108) and is accruing retirement benefits under the TPS. The contributions paid in the year amounted to £16,166 (2015: £13,695). Staff governors are not trustees of the charitable trust.

No governors were reimbursed for expenses incurred during the year (2015: £0).

Related party transactions involving the trustees are set out in note 28

1. Trustees and officers insurance

in accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides covet up to £5,000,000 (2015: £2,000,000) on any one claim and the cost for the year ended 31 August 2016 is included in the total insurance cost

14

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Cost | Freehold Assets in the Fixtures, land and course of fittings and buildings construction equipment £'000 £'000 £'000 | | | Total  £'000 |
| At 1 September 2015 | 10.893 | 310 | 458 | 11,661 |
| Transfer | 310 | (310) | - | - |
| Additions | 1,812 | 411 | 27 | 2,250 |
| At 31 August 2016 | 13,015 | 411 | 485 | 13,911 |
| Depreciation | | | | |
| At 1 September 2015 | 694 | - | 329 | 1,023 |
| Charge for the year | 197 | - | 65 | 262 |
| At 31 August 2016 | 891 | - | 394 | 1,285 |
| Net book value | | | | |
| At 31 August 2016 | 12,124 | 411 | 91 | 12,626 |
| At 31 August 2015 | 10,199 | 310 | 129 | 10,638 |

Tangible fixed assets

included within freehold land and buildings is land valued at £1.375,000.

A restriction has been placed on the registered estate stating that written consent must be received from the Football Foundation before any charge can be placed on the property.

1. Fixed asset investments

Listed

investments

£'000

13

**Market value**

At 1 September 2015 Acquisitions at ccst

3

At 31 August 2016

16

Historical cost.

At 31 August 2016 11

At 31 August 2015 11

The investments above relate to equities and fixed interest securities.

|  |  |  |  |
| --- | --- | --- | --- |
| 16 | Stocks | 2016 | 2015 |
|  |  | £'000 | £'000 |
|  | Uniforms, Books and stationery | 4 | 3 |
| 17 | Debtors | 2016 | 2015 |
|  |  | £'000 | £'000 |
|  | Trade debtors | 19 | \_ |
|  | VAT recoverable | 100 | 70 |
|  | Other debtors | 97 | 90 |
|  | Prepayments and accrued income | 302 | 310 |
|  |  | 518 | 470 |
| 18 | Creditors: amounts failing due within one year | 2016 | 2015 |
|  |  | £'000 | £'000 |
|  | Trade creditors | 442 | 226 |
|  | Other taxation and social security | 102 | 85 |
|  | Other creditors | 234 | 200 |
|  | Accruals and deterred income | 87 | 55 |
|  |  | 865 | 566 |
| 19 | Creditors: amounts falling due after more than one year | 2016 | 2015 |
|  |  | £'000 | £'00C |
|  | Other creditors | 162 | 83 |

Included within other creditors are loans of £185,324 (2015. £88,880) from Salix, these are provided on the terms that the loans are repayable by annual instalments of £23,154 (2015: £11,100). £83,880 will be repaid in full by August 2023 and £96,444 is fully repaid by September 2025. The loans are interest free and unsecured.

20 Financial instruments

|  |  |  |
| --- | --- | --- |
|  | 2016 | 2015 |
|  | £'000 | £'000 |
| Carrying amount of financial assets  Financial assets measured at fair value through profit and loss | 16 | 13 |
| Debt instruments measured at amortised cost | 381 | 367 |
| Carrying amount of financial liabilities  Financial liabilities measured at amortised cost | (765) | (481) |

21 Funds

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Balance at 1 | Income | Expenditure Gains, losses | | Balance at 31 |
|  |  |  |  | |  |
|  |  |  |  | |  |
|  | September  2015  £'000 | £•000 | £'000 | & transfers £000 | August 2016 £'000 |
| Restricted general funds  General Annual Grant |  | 6,151 | (6,137) | (14) |  |
| Other DfE / EFA grants | - | 152 | (152) | - | - |
| Other government grants | - | 62 | (62) | - | - |
| Other restricted funds | 381 | 417 | (319) | - | 479 |
| Funds excluding pensions | 381 | 6,782 | (6,670) | (14) | 479 |
| Pension reserve | (901) | - | (60) | (710) | (1,671) |
|  | (520) | 6,782 | (6,730) | (724) | (1,192) |
| Restricted fixed asset funds | | | | | |
| DfE / EFA capital grants | 3,202 | 1,400 | (80) | 14 | 4,536 |
| Inherited funds | 7,857 | - | (143) | - | 7,714 |
| Capital expenditure from GAG | 652 | - | - | - | 652 |
| Football Foundation grant | 481 | «- | (39) | - | 442 |
|  | 12,192 | 1,400 | (262) | 14 | 13,344 |
| Total restricted funds | 11,672 | 8,182 | (6,992) | (710) | 12,152 |
| Unrestricted funds | | | | | |
| General funds | 379 | 71 | (59) | - | 391 |
| Total funds | 12,051 | 8,253 | (7,051) | (710) | 12,543 |

21 Funds (Continued)

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

1. Restricted General Fund

The General Annual Grant (GAG) is the core funding for the educational activities of the academy provided via the Education Funding Agency (EFA). Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the GAG that it could carry forward at 31 August 2016. Note 4 discloses whether the limit was exceeded.

Other EFA grants are grants received from the EFA which can only be utilised for the purpose intended other funds generated by the Academy include specific donations.

The Pension reserve is the surplus / (deficit) in the Local Government Pension Scheme.

1. Restricted Fixed Asset Fund

This includes fixed assets transferred on Academy conversion, together with capital grants, including capital grants from the Football Foundation for the all-weather pitch; from the Academies Capital Maintenance Fund and Conditional Improvement fund for the Renewal of External Curtain Walling, renewal of Corby Steel Framed Windows, Roof Covering renewals and a Boiler replacement programme.

A total of £14k of restricted funds has been transferred to restricted fixed asset funds to represent fixed assets purchased out of GAG income and capital grants spent on revenue expenditure

1. Unrestricted Funds

These include surpluses transferred on Academy conversion, and any other funds generated by the Academy, or donations received by the Academy with no specific purpose attached

22 Analysis of net assets between funds

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Unrestricted | Restricted | Restricted | Total |
|  | Funds | General | Fixed Asset | 2016 |
|  |  | Funds | Funds |  |
|  | £'000 | £'000 | £'000 | £'000 |
| Fund balances at 31 August 2016 are |  |  |  |  |
| represented by: |  |  |  |  |
| Tangible fixed assets | - | - | 12,626 | 12,626 |
| Fixed asset investments | - | - | 16 | 16 |
| Current assets | 391 | 1,506 | 702 | 2,599 |
| Creditors falling due within one year | - | (865) |  | (865) |
| Creditors falling due after one year |  | (162) | - | (162) |
| Defined benefit pension liability |  | (1,671) |  | (1,671) |
|  | 391 | (1,192) | 13,344 | 12,543 |
| Capital commitments |  |  |  |  |
|  |  |  | 2016 | 2015 |
|  |  |  | £'000 | £'000 |
| Expenditure contracted for put not provided in the financial statements | | | 657 | 1,554 |

24 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

|  |  |  |
| --- | --- | --- |
|  | 2016 | 2015 |
|  | £'000 | £'000 |
| Amounts due within one year | 26 | 26 |
| Amounts due between one and five years | 14 | 38 |
|  | 40 | 64 |
| Reconciliation of net income to net cash flows from operating activities | | |
|  | 2016 | 2015 |
|  | £'000 | £'000 |
| Net income for the reporting period | 1,202 | 2,330 |
| Adjusted for: | | |
| Capital grants from DfE/EFA and other capital income | (1,400) | (2,480) |
| Interest receivable | (7) | (6) |
| Defined benefit pension scheme cost less contributions payable | 26 | 38 |
| Defined benefit pension scheme finance cost/(income) | 34 | 33 |
| Depreciation of tangible fixed assets | 262 | 271 |
| (increase)/decrease in stocks | (1) | 1 |
| (increase)/decrease in debtors | (48) | (307) |
| Decrease in investments | - | 2 |
| increase/(decrease) in creditors | 378 | 65 |
| Net cash provided by operating activities | 446 | (53) |

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

1. Pensions and similar obligations

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

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

Contributions amounting to £88.189 (2015: £74,312) were payable to the schemes at 31 August 2016 and are included within creditors.

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.

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.

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. 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 in June 2014.

The key elements of the valuation and subsequent consultation are:

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

The new employer contribution rate was 14.1% until 1 September 2015 when it increased to 16.48% (including a 0.08% administration fees), with an employer cost cap of 10.9% of pensionable pay. The employer contribution rate will be payable 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 the TPS in the period amounted to £542,368 (2015: £443,465).

The TPS is a multi-employer pension scheme and there is insufficient information to account for the scheme as a defined benefit scheme so it is accounted for as a defined contribution scheme.

27 Pensions 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 contributions are as noted below. The agreed contribution rates for future years are as yet unknown for employers and 5.5 to 12.5% for employees. The estimated value of employee contributions for the forthcoming year is £173,000 and future rate for employer’s pension contributions is 22.6% to March 2017 and yet to be confirmed from April 2017.

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.

|  |  |  |
| --- | --- | --- |
| Total contributions made | 2016 | 2015 |
|  | £’000 | £'000 |
| Employer's contributions | 161 | 143 |
| Employees' contributions | 45 | 40 |
| Total contributions | 206 | 183 |
| Principal actuarial assumptions |  |  |
| The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to | | |
| 31 August 2016 by a qualified independent actuary. | 2016  % | 2015  % |
| Rate of increases in salaries | 3.1 | 3.5 |
| Rate of increase for pensions in payment | 2.1 | 2.6 |
| Discount rate | 2.0 | 3.7 |
| The current mortality assumptions include sufficient allowance tor future improvements in mortality rates. | | |
| The assumed life expectations on retirement age 65 are: | 2016 | 2015 |
|  | Years | Years |
| Retiring today - Males | 22.3 | 22.3 |
| - Females | 24.4 | 24.4 |
| Retiring in 20 years - Males | 24.1 | 24.1 |
| - Females | 26.7 | 26.7 |

27 Pensions and similar obligations (Continued)

|  |  |  |
| --- | --- | --- |
| The academy trust's share of the assets in the scheme | 2016 | 2015 |
| Fair value | | Fair value |
|  | £'000 | £'000 |
| Equities | 1,249 | 853 |
| Bonds | 919 | 727 |
| Cash | 24 | 73 |
| Property | 165 | 164 |
| Total fair value of assets | 2,357 | 1,817 |
| Actual return on scheme assets - gain/(loss) | 365 | (138) |
| Amounts recognised in the statement of financial activities | 2016 | 2015 |
|  | £'000 | £'000 |
| Current service cost | 187 | 181 |
| Net interest cost | 34 | 33 |
| Total operating charge | 221 | 214 |
| The actuarial gams and losses tor the current period are recognised in the SOFA | The cumulative amount | |
| of actuarial gains and losses recognised in the statement of recognised gains and losses is a £710,000 loss (2015: £52,000 gain). | | |
| Changes in the present value of defined benefit obligations |  | 2016  £'000 |
| Obligations at 1 September 2015 |  | 2,718 |
| Current service cost |  | 187 |
| Interest cost |  | 104 |
| Employee contributions |  | 45 |
| Actuarial loss |  | 1,005 |
| Benefits paid |  | (31) |
| At 31 August 2016 |  | 4,028 |

27 Pensions and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets 2016

£'000

Assets at 1 September 2015 1,817

Interest income 70

Return on plan assets (excluding net interest on the net defined pension

[liability) 295](#bookmark20)

Employer contributions 161

Employee contributions 45

Benefits paid (31)

At 31 August 2016 2,357

Pension liability

Present value of defined benefit obligations (4,028)

Fair value of share of scheme assets 2,357

Deficit in the scheme (1,671)

1. Related party transactions

During the year transactions took place between Enderoth School and Enderoth International Studio, a proposed new studio school. The directors were J Smith and S Jones who were both Governors of Enderoth School. In the year Enderoth School received £42,955 (2015: £4,098) and disbursed £78,474 (2015: £4,116) with therefore an amount due of £35,538 (2015: £18) at year end.

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 are rio other related party transactions to report.

INDEPENDENT REPORTING ACCOUNTANTS ASSURANCE REPORT ON REGULARITY TO ENDEROTH SCHOOL AND THE EDUCATION FUNDING AGENCY (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 period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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