

Company Registration No. 09451372 (England and Wales)

**TAKELY EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015**

TAKELY EDUCATION TRUST

CONTENTS

	Page
Reference and administrative details	1
Governors' report	2 - 5
Governance statement	6 - 8
Statement on regularity, propriety and compliance	9
Statement of governors' responsibilities	10
Independent auditor's report on the accounts	11 - 12
Independent reporting accountant's report on regularity	13 - 14
Statement of financial activities incorporating income and expenditure account	15
Balance sheet	16
Statement of cash flows	17
Notes to the accounts, incorporating:	
Statement of accounting policies	18 - 22
Other notes to the accounts	22 - 38

TAKELY EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Benfleet Schools Trust
T Reynolds
P Hillman

Governors

T A Reynolds (Appointed 20th February 2015)
J Fuller (Appointed 20th February 2015)
K Cooper (Appointed 20th February 2015)
S Cox (Appointed 20th February 2015)
S F Flack (Appointed 30th June 2015)
J Fennelly (Appointed 30th June 2015)
P King (Appointed 30th June 2015)
T Curtis (Appointed 30th June 2015)
K Kerridge (Appointed 10th April 2015)
SM Johnson (Appointed 25th February 2015 Resigned 30th June 2015)

* members of the Finance, Estates and General Purposes committee

Senior management team

S Cox	- Head Teacher
D Wright	- Deputy Head Teacher
S Amram	- Deputy Head Teacher
E Jordan	- Assistant Head Teacher
C Lane-Craig	- Associate Head Teacher
C Flaherty	- Assistant Head Teacher
A Dominey	- Senior Lead Consultant

Company Secretary

A E Wright

Company registration number

09451372 (England and Wales)

Registered office

The Appleton School
Croft Road
Benfleet, Essex
SS7 5RN
United Kingdom

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Bankers

Lloyds Bank PLC
10-20 Town Square
Basildon
Essex SS14 1DU

Solicitors

Ward Hadaway
1A Tower Square
Wellington Street
Leeds LS1 4DL

TAKELY EDUCATION TRUST

GOVERNORS' REPORT

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

The governors present their report together with the accounts and independent auditor's reports of the charitable company for the period from 20 February 2015 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust was incorporated on 20 February 2015 and the predecessor school, 'Woodlands School' converted to academy status on 1 April 2015. The principal activity of the charitable company is the operation of Woodlands School, an academy providing state education to boys and girls in the Basildon area, aged 11 to 16. It had 1480 students on roll at the census date of 1st June 2015.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors are the trustees of Takely Education Trust and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1. The charitable company operates and is known as Woodlands School.

Members' liability

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

Trustees' indemnities

The academy trust has not provided any third party indemnities in respect of any of its trustees.

Method of recruitment and appointment or election of governors

In accordance with the articles, the trustees of the charitable company are the governors. They are appointed as follows;

- a) Up to four initial governors appointed on incorporation;
- b) Up to six governors appointed by the members;
- c) Up to two staff governors elected by the staff;
- d) A minimum of two parent governors elected by parents;
- e) The Head Teacher, if they agree to become a trustee, serves in an ex-officio capacity;

In respect of those appointed by the members, ((b), above) when a vacancy arises, the members seek to make an appointment that would maximise the relevant skills and experience on the board as a whole.

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All governors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as governors. The Academy also purchases the governors Trainings run by the local authority.

Organisational structure

The board of governors, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The board meets at least three times a year and has two committees;

- Standards, Staffing and Curriculum Committee
- Finance, Estates and General Purposes Committee.

TAKELY EDUCATION TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

The Finance, Estates and General Purposes Committee also fulfils the functions of an Audit Committee. Both committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members. Governors delegate specific responsibilities to its committees, the activities of which are reported to and discussed at full Governing Body Meetings.

Day to day management of the company is undertaken by the Head Teacher, supported by the Leadership Team. The Head Teacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

There is no remuneration for trustees on the school's board of governors. Pay for Senior Leadership Team including Head Teacher, is bench marked against the national scale for size of school and the school operates by following national terms and conditions. Increments are awarded following the performance management and pay policy that is on the school website. The pay panel consists of Chair of Governors, Executive Head Teacher and one other for the Head Teacher. For all other staff the panel consists of three named governors.

Related parties and other connected charities and organisations

As part of the school's Academy conversion in April 2015, the school has a formal partnership with The Appleton School, Benfleet (lead school of Benfleet Schools Trust) but it is not in the MAT.

Objectives and activities

Objects and aims

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object through the operation of Woodlands School, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students. A further object is the promotion of recreational facilities to the local community.

Objectives, strategies and activities

All of the school priorities are listed in the 3 year School Development Plan which is agreed by governors annually in September.

Public benefit

In setting the objectives and planning the associated activities, governors have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

Unvalidated results 2015.
5 A*-C inc English and Maths 47%
5 A*-C 61%
5 A*-G 97%

Key financial performance indicators

Teaching staff 80% of total school budget
Total staffing cost 84% of total school budget.

There will be a carry forward from last year's budget. Although the school will operate an in year deficit, by the end of the financial year this will show the school not operating at a loss.

TAKELY EDUCATION TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

Other key performance indicators

An OFSTED inspection is not due until after April 2016 due to Academy conversion. Previously, the school was judged as RI. School target is to obtain a Good rating.

Going concern

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

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant -GAG). The EFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/EFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August;

Fund	Category	2015 £'000
GAG	Restricted General Funds	155
Other DfE/EFA Grants	Restricted General Funds	14
Other Income	Restricted General Funds	37
Sub-total	General Restricted Funds	206
Unspent Capital Grants	Restricted Fixed Asset Fund	58
Other Income	Unrestricted General Fund	1,543
Sub-Total	Spendable Funds	1,807
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	28,357
Share of LGPS Deficit	Restricted Pension Reserve	(1,520)
Total	All Funds	28,644

TAKELY EDUCATION TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

Reserves policy

The Governors have not yet formalised a specific policy on reserves beyond the requirement that reserve levels are regularly monitored by Governors and Management to ensure that sufficient reserves are maintained to meet anticipated future needs.

Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to academic performance/finances/child welfare/admissions. The governors have implemented a number of systems to assess risks that the Academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), governors consider the associated risk in this area to be minimal. The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

The risk management process has been codified in a risk register implemented by the Senior Management Team and overseen by the Board of Governors.

Governors keep spendable reserves under constant review to ensure that they have sufficient income to run the Academy on an efficient basis without affecting the quality of teaching and learning.

Plans for Future Periods

The school development plan incorporates all of the school's plans for the next 3 years that have been agreed and set by the Governing body.

Funds Held as Custodian Trustee on Behalf of Others

The Trusts does not hold any funds on behalf of other organisations.

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Baxter & Co be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the board of governors on 22/1/2016 and signed on its behalf by:


T Reynolds
Chair

TAKELY EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

Scope of responsibility

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

The board of governors has delegated the day-to-day responsibility to S Cox, the Head Teacher, 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 Takely Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

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

Governors	Meetings attended	Out of possible
T A Reynolds	4	5
J Fuller	4	5
K Cooper	5	5
S Cox	4	5
S F Flack	1	1
J Fennelly	1	1
P King	1	1
T Curtis	1	1
K Kerridge	4	4
S M Johnson	4	4

There are now 5 different committees, as well as Full Governors. They are; Standards, Staffing and Curriculum; Finance, Estates and General Purposes; staffing and pay; appeals and pupil. These groups were decided and confirmed

As Woodlands school only became an Academy on April 1st 2015 and the governing body held its first full meeting in June, no formal review of policies, procedures and performance has taken place yet. An internal inspection carried out by the Interim Executive Board in March 2015, recognised that the school had made rapid improvements.

A full programme of reviews will be confirmed at the first Full Governors meeting in September 2015.

Review of Value for Money

As accounting officer the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

The School has been judged as Requiring Improvement by OFSTED in June 2014, coming out of Special Measures on the second visit. In 2015 the school's GCSE results were very pleasing and an increase of 8% on the previous year. The school is a PFI and with the school now oversubscribed in most year groups and with the improvement in exam results, offers value for money.

TAKELY EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Takely Education Trust for the period 20 February 2015 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors 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 board of governors 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 period 20 February 2015 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

The risk and control framework

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

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

The board of governors has considered the need for a specific internal audit function and has decided for this function to be performed by an independent company of external auditors.

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, they will report to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

There will be 3 visits during the year.

Checks carried out to include

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations

The external auditors will work in conjunction with The Appleton School as part of the formal partnership.

TAKELY EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

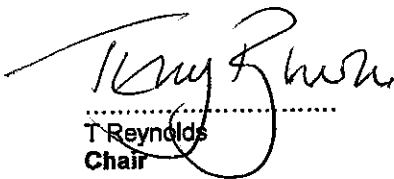
Review of effectiveness

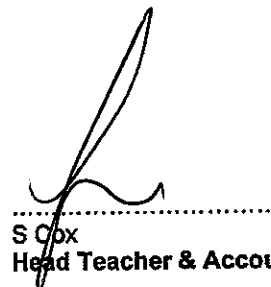
As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 22/1/2016 and signed on its behalf by:


T Reynolds
Chair


S Opx
Head Teacher & Accounting Officer

TAKELY EDUCATION TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

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

I confirm that I and the Academy Trust's Board of Governors 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 Board of Governors and EFA.

Approved on 22/1/16 and signed by:


S Coe
Accounting Officer

TAKELY EDUCATION TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:

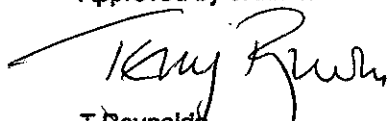
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Governors on 22/1/2016 and signed on its behalf by:


T Reynolds
Chair of Governors

TAKELY EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TAKELY EDUCATION TRUST

We have audited the accounts of Takely Education Trust for the Period ended 31 August 2015 set out on pages 15 to 38. 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) and the Academies Accounts Direction 2014 to 2015 (SORP 2015) issued by the EFA.

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

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 10, the Governors, who are also the directors of Takely Education Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 (SORP 2015) issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report including the incorporated Strategic Report for the financial Period for which the accounts are prepared is consistent with the accounts.

TAKELY EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TAKELY EDUCATION TRUST

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


David John Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Baxter & Co

Statutory Auditor

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 25/1/16

TAKELY EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TAKELY EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 April 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Takely Education Trust during the period 20 February 2015 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Takely Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Takely Education Trust's funding agreement with the Secretary of State for Education dated December 2014 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 20 February 2015 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.7 of the Academies Financial Handbook 2014, issued by the EFA.

TAKELY EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TAKELY EDUCATION TRUST 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 20 February 2015 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Baxter & Co
Chartered Certified Accountants
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 25/1/16

TAKELY EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

	Notes	Unrestricted funds £'000	Restricted funds £'000	Fixed Asset funds £'000	Total 2015 £'000
Income and endowments from:					
Donations and capital grants	2	10	39	58	107
Transfer from local authority on conversion	21	1,525	(1,581)	28,653	28,597
Charitable activities:					
- Funding for educational operations	5	-	3,963	-	3,963
Other trading activities	3	21	42	-	63
Investments	4	1	-	-	1
Total income and endowments		<u>1,557</u>	<u>2,463</u>	<u>28,711</u>	<u>32,731</u>
Expenditure on:					
Raising funds	6	14	43	-	57
Charitable activities:					
- Educational operations	7	-	3,883	296	4,179
Total expenditure	6	<u>14</u>	<u>3,926</u>	<u>296</u>	<u>4,236</u>
Net income/(expenditure)		1,543	(1,463)	28,415	28,495
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	149	-	149
Net movement in funds		1,543	(1,314)	28,415	28,644
Fund balances at 20 February 2015		-	-	-	-
Fund balances at 31 August 2015		<u>1,543</u>	<u>(1,314)</u>	<u>28,415</u>	<u>28,644</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

TAKELY EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £'000	£'000
Fixed assets			
Tangible assets	10		28,357
Current assets			
Stocks	11	16	
Debtors	12	362	
Cash at bank and in hand		1,940	
		<u>2,318</u>	
Current liabilities			
Creditors: amounts falling due within one year	13	(511)	
		<u></u>	
Net current assets			1,807
Net assets excluding pension liability			<u>30,164</u>
Defined benefit pension liability	17		(1,520)
Net assets			<u>28,644</u>
Funds of the Academy Trust:			
Restricted funds	15		
- Fixed asset funds			28,415
- General funds			206
- Pension reserve			(1,520)
Total restricted funds			<u>27,101</u>
Unrestricted income funds	15		1,543
Total funds			<u>28,644</u>

The accounts were approved by order of the Board of Governors and authorised for issue on 22/1/2016


T Reyholds
Chair of Governors

Company Number 09451372

TAKELY EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

	Notes	2015 £'000	£'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18		333
Cash funds transferred on conversion			1,548
			<u>1,881</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		1	
Capital grants from DfE and EFA		58	
		<u></u>	59
Increase/(decrease) in cash and cash equivalents in the reporting period			<u>1,940</u>
Cash and cash equivalents at 20 February 2015			<u>-</u>
Cash and cash equivalents at 31 August 2015			<u><u>1,940</u></u>

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, 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 accounts 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 2014 to 2015 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

These accounts have been prepared for the period 20 February 2015 to 31 August 2015 which is a period of less than twelve months. Academy trusts are required by the EFA to report annually to 31 August and the Academy Trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, ie 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 at least one year from the date of authorisation for issue of the accounts and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market values that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Takely Education Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 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.

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable 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 Academy Trust has provided the goods or services.

Donated services and gifts in kind

Donated facilities and services provided to the Academy Trust are recognised at their value to the Academy Trust in the period when it is probable that the economic benefits associated with the donated items will flow to the Academy Trust, provided they can be measured reliably. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities.

Donated goods are recognised at fair value unless it is impractical to measure this reliably, in which case a derived value, being the cost of the item to the donor (for example sponsor services), is used. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities except where the donated good is a fixed asset, in which case the gain is recognised as income from donations and 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.

1.5 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 by 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.

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.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

1 Accounting policies

(Continued)

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.

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 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. Where there are specific conditions attached to the funding that require the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold Land and buildings	2% straight line
Computer equipment	20% straight line
Plant & equipment	10% straight
Motor vehicles	10% straight line

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.

1.7 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 or services it must provide.

1.8 Leasing and hire purchase commitments

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

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

1 Accounting policies

(Continued)

1.10 Taxation

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

1.11 Pensions benefits

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

Teachers' Pension Scheme

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 prospective unit credit method. As stated in Note 17, the TPS is a multi-employer scheme and 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.

Local Government Pension Scheme

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 operating surplus 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 rate 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.

1.12 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 with restrictions imposed by the funder / donor and include grants from the Education Funding Agency/Department for Education and other donors.

1.13 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.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

1 Accounting policies

(Continued)

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 liabilities 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 of 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 28, 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 2015. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The judgement that has the most significant effect on the amounts recognised in the accounts relates to the recognition of a commitment in respect of the PFI agreement. The trustees have considered the terms of the agreement and have made the judgement that no liability should be recognised.

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
Capital grants	-	58	58
Other donations	10	39	49
	<u>10</u>	<u>97</u>	<u>107</u>

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
Hire of facilities	21	-	21
Other income	-	42	42
	<u>21</u>	<u>42</u>	<u>63</u>

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
Short term deposits	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
DfE / EFA grants			
General annual grant (GAG)	-	3,554	3,554
Other DfE / EFA grants	-	258	258
	<u>-</u>	<u>3,812</u>	<u>3,812</u>
Other government grants			
Special educational projects	-	87	87
	<u>-</u>	<u>87</u>	<u>87</u>
Other funds			
Other incoming resources	-	64	64
	<u>-</u>	<u>64</u>	<u>64</u>
Total funding	<u>-</u>	<u>3,963</u>	<u>3,963</u>

6 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2015 £'000
Academy's educational operations				
- Direct costs	2,527	236	329	3,092
- Allocated support costs	266	83	738	1,087
	<u>2,793</u>	<u>319</u>	<u>1,067</u>	<u>4,179</u>
Other expenditure				
Costs of activities for generating funds	-	-	57	57
	<u>-</u>	<u>-</u>	<u>57</u>	<u>57</u>
Total expenditure	<u>2,793</u>	<u>319</u>	<u>1,124</u>	<u>4,236</u>

Net income/(expenditure) for the period includes:

	2015 £'000
Operating leases	3
- Plant and machinery	296
Depreciation	
Fees payable to auditor	5
- Audit	4
- Other services	

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

6 Expenditure

(Continued)

Included within expenditure are the following transactions.

	2015 £
Gifts made by the trust - total	536

Clarification - Whilst the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts made are not. The value of gifts made for the period was £536 (and not £536k).

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
Direct costs - educational operations			
Teaching and educational support staff costs	-	2,527	2,527
Depreciation	-	236	236
Technology costs	-	51	51
Educational supplies and services	-	152	152
Examination fees	-	56	56
Staff development	-	16	16
Educational consultancy	-	14	14
Other direct costs	-	40	40
	-	3,092	3,092
Support costs - educational operations			
Support staff costs	-	266	266
Depreciation	-	60	60
Maintenance of premises and equipment	-	23	23
Energy costs	-	34	34
Rent and rates	-	25	25
Catering	-	44	44
Interest and finance costs	-	21	21
Other support costs	-	592	592
Governance costs	-	22	22
	-	1,087	1,087
Total costs	-	4,179	4,179

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

8 Staff costs

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

	2015 Number
Teachers	87
Administration and support	71
Management	7
	<hr/>
	165
	<hr/>

Costs included within the accounts:

	2015 £'000
Wages and salaries	2,227
Social security costs	142
Other pension costs	344
	<hr/>
	2,713
Supply staff costs	66
Staff restructuring costs	14
	<hr/>
Total staff costs	2,793
	<hr/>

Staff restructuring costs relate to a single, non-statutory/non-contractual severance payment.

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number
£60,001 - £70,000	3
£80,001 - £90,000	1
	<hr/>

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

8 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015
Teachers' Pension Scheme	Numbers	4
	£'000	17
Local Government Pension Scheme	Numbers	-
	£'000	-

Key management personnel

The key management personnel of the Academy Trust comprise the Governors 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 £234,382.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

9 Related party transactions - Governors' remuneration and expenses

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Governors.

The value of Governors' remuneration and other benefits was as follows. The amounts shown below cover the five month period from 1 April 2015 (the date of conversion to academy status) to 31 August 2015:

S Cox (Head Teacher):

- Remuneration £35,000 - £40,000
- Employer's pension contributions £0 - £5,000

T Curtis (Staff Governor):

- Remuneration £20,000 - £25,000
- Employer's pension contributions £0 - £5,000

J Fennelly (Staff Governor):

- Remuneration £10,000 - £15,000
- Employer's pension contributions £0 - £5,000

During the Period, no payments were reimbursed or paid directly to Governors.

Other related party transactions involving the Governors are set out within the related parties note.

Governors' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the Period ended 31 August 2015 was unable to be separated out from the total insurance cost. The cost of this insurance is included in the total insurance cost.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

10 Tangible fixed assets

	Leasehold Land and buildings £'000	Computer equipment £'000	Plant & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 20 February 2015	-	-	-	-	-
Transfer on conversion	28,000	625	9	19	28,653
At 31 August 2015	28,000	625	9	19	28,653
Depreciation					
At 20 February 2015	-	-	-	-	-
Charge for the Period	196	97	1	2	296
At 31 August 2015	196	97	1	2	296
Net book value					
At 31 August 2016	27,804	528	8	17	28,357

Included in leasehold land & buildings is land valued at £4,474k

11 Stocks

2015
£'000

School uniform

16

12 Debtors

2015
£'000

Trade debtors

3

VAT recoverable

160

Other debtors

130

Prepayments and accrued income

69

362

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

13	Creditors: amounts falling due within one year	2015 £'000
	Trade creditors	248
	Taxes and social security costs	116
	Other creditors	90
	Accruals	29
	Deferred income	28
		<u>511</u>
14	Deferred income	2015 £'000
	Deferred income is included within:	
	Creditors due within one year	28
		<u>28</u>
	Total deferred income at 20 February 2015	-
	Amounts credited to the statement of financial activities	-
	Amounts deferred in the Period	28
		<u>28</u>
	Total deferred income at 31 August 2015	28

Deferred income relates to income received during the period for trips and other activities where the associated expenditure will be incurred in the following accounting period.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

15 Funds

	Income	Expenditure	Gains, losses & transfers	Balance at 31 August 2015
	£'000	£'000	£'000	£'000
Restricted general funds				
General Annual Grant	3,554	(3,399)	-	155
Other DfE / EFA grants	258	(244)	-	14
Other government grants	87	(87)	-	-
Other restricted funds	168	(131)	-	37
	<u>4,067</u>	<u>(3,861)</u>	<u>-</u>	<u>206</u>
Funds excluding pensions	4,067	(3,861)	-	206
Pension reserve	(1,604)	(65)	149	(1,520)
	<u>2,463</u>	<u>(3,926)</u>	<u>149</u>	<u>(1,314)</u>
Restricted fixed asset funds				
DfE / EFA capital grants	58	-	-	58
Transfer on conversion	28,653	(296)	-	28,357
	<u>28,711</u>	<u>(296)</u>	<u>-</u>	<u>28,415</u>
Total restricted funds	<u>31,174</u>	<u>(4,222)</u>	<u>149</u>	<u>27,101</u>
Unrestricted funds				
General funds	<u>1,557</u>	<u>(14)</u>	<u>-</u>	<u>1,543</u>
Total funds	<u>32,731</u>	<u>(4,236)</u>	<u>149</u>	<u>28,644</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

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

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the governors to support any of the Academy's charitable purposes.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	28,357	28,357
Current assets	1,543	717	58	2,318
Creditors falling due within one year	-	(511)	-	(511)
Defined benefit pension liability	-	(1,520)	-	(1,520)
	<u>1,543</u>	<u>(1,314)</u>	<u>28,415</u>	<u>28,644</u>

17 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 Essex County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £91k were payable to the schemes at 31 August 2015 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. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £212k.

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.4% for employers and between 5.5% and 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £192k.

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.

	2015 £'000
Employer's contributions	88
Employees' contributions	27
	<hr/>
Total contributions	115
	<hr/>

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Principal actuarial assumptions

	2015 %
Rate of salary increases	4.50
Rate of increase for pensions in payment	2.70
Discount rate	4.00
RPI increases	3.60
CPI increases	2.70

Sensitivity Analysis

Scheme liabilities have been valued at £2,215k. The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £2,158k

If the discount rate used were to decrease by 0.1%, liabilities would be measured at £2,273k

If the life expectancy were to increase by a year, liabilities would be measured at £2,272k

If the life expectancy were to decrease by a year, liabilities would be measured at £2,160k

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

	2015 Years
Retiring today	
- Males	22.8
- Females	25.2
Retiring in 20 years	
- Males	25.1
- Females	27.6

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

	2015 Fair value £'000
Equities	453
Bonds	67
Gilts	28
Cash	17
Property	80
Other assets	50
	<hr/>
Total market value of assets	695
Present value of scheme liabilities - funded	(2,215)
	<hr/>
Net pension asset / (liability)	(1,520)
	<hr/>

For the period to 31 August 2015, the expected return was 4.6% per annum, which has been used to determine the charge for the year.

Assumptions on expected rates

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities and property are then assumed to be a margin above gilt yields.

The actual return on fund assets in the period was £(17)k.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities

	2015 £'000
Operating costs	
Current service cost (net of employee contributions)	132
Finance costs/(income)	
Interest on pension scheme assets at discount rate	(12)
Interest on pension liabilities at discount rate	33
Net finance costs/(income)	21
Total charge/(income)	153

Actuarial gains and losses

Actual return on scheme assets - gain/(loss)	(17)
Less: interest on assets at discount rate	(12)
Actuarial gain/(loss) - scheme assets	(29)
Other adjustments affecting other comprehensive income	178
Net gains/(losses)	149

Movements in the present value of defined benefit obligations

	2015 £'000
Obligations acquired on conversion	2,201
Current service cost	132
Interest cost	33
Contributions by employees	27
Actuarial gains/(losses)	(178)
At 31 August 2015	2,215

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

	2015 £'000
Assets acquired on conversion	597
Expected return on assets	12
Actuarial gains/(losses)	(29)
Contributions by employers	88
Contributions by employees	27
At 31 August 2015	695

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

18 Reconciliation of net income to net cash flows from operating activities

	2015 £'000
Net income for the reporting period	28,495
Adjusted for:	
Net deficit/(surplus) transferred on conversion	(28,597)
Capital grants from DfE/EFA and other capital income	(58)
Investment income	(1)
Defined benefit pension costs less contributions payable	44
Defined benefit pension net finance cost/(income)	21
Depreciation of tangible fixed assets	296
(Increase)/decrease in stocks	(16)
(Increase)/decrease in debtors	(362)
Increase/(decrease) in creditors	511
Net cash provided by/(used in) operating activities	333

19 Commitments under operating leases and other commitments

At 31 August 2015 the total future minimum lease payments under non-cancellable operating leases and other commitments were as follows:

	2015 £'000 ECC	2015 £'000 other
Amounts due within one year	1,097	9
Amounts due between two and five years	4,388	11
Amounts due after five years	19,746	1
	25,231	21

The Academy was built under a Private Finance Initiative (PFI) agreement between Essex County Council and Skanska UK Plc. The PFI contract remains between Essex County Council and Skanska UK Plc but the Trust has agreed to the following payment arrangements with Essex County Council. The Trust will pay:

- The Affordability Gap, being the sum of money specifically allocated to the academy for the purposes of the PFI payments. The full year allocation for 2015-16 (01/04/2015 to 31/03/2016) is £438k (01/04/2015 to 31/08/2015:£183k), and will increase by RPI each year for the remainder of the PFI contract. The Trust is fully funded for these payments via it's grant funding from EFA.
- The Academy Contribution, being the amount which the Trust pays to Essex County Council as contribution towards the PFI facilities management contract. The full year allocation for 2015-16 (01/04/2015 to 31/03/2016) is £659k (01/04/2015 to 31/08/2015:£275k), and will increase by RPI each year for the remainder of the PFI contract.

The commitment under the agreement with Essex County Council is included above (being 23 years of the current annual commitment of £1,097k). The trustees take the view that the substance of the arrangement is such that the principal rights and obligations under the contract remain with Essex County Council. Accordingly, commitments to future payments are not recognised as a liability.

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

20 Related parties

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the period the Academy Trust incurred expenditure of £2,470 with Benfleet Schools Trust (a company registered in England and Wales, company no. 07561574). Benfleet Schools Trust is a related party by virtue of it being a member of the Takely Education Trust. No balances were outstanding at 31 August 2015.

During the period the Academy Trust also incurred expenditure of £600 with HCUK-TES Global, a company in which S Amram (Governor) is a consultant. No balances were outstanding at 31 August 2015.

In entering into these transactions, the academy trust has complied with the requirements of the EFA's Academies' Financial Handbook.

21 Conversion to an academy

On 1 April 2015 the Woodlands School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Takely Education Trust from the Essex County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/loss in the statement of financial activities as transfer from local authority on conversion.

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

Funds surplus/(deficit) transferred:	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total 2015 £'000
Fixed assets funds	-	-	28,653	28,653
LA budget funds	1,525	23	-	1,548
LGPS pension funds	-	(1,604)	-	(1,604)
	<u>1,525</u>	<u>(1,581)</u>	<u>28,653</u>	<u>28,597</u>

TAKELY EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD FROM 20 FEBRUARY 2015 TO 31 AUGUST 2015

21 Conversion to an academy

(Continued)

Net assets transferred:	£'000
Leasehold land and buildings	28,000
Tangible fixed assets apart from land and buildings	653
Cash	1,548
Pension surplus/(deficit)	(1,804)
	<u>28,597</u>

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 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.