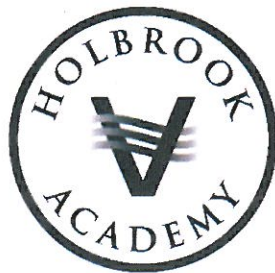


Holbrook Academy

(A Company Limited by Guarantee)



Annual Report and Financial Statements
For the year 1 September 2014 to 31 August 2015

Company Registration Number:
07654882 (England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees and Members) G Anstee-Parry (Appointed 1 February 2015)
I Howell
J Crabtree
L Cullen (Appointed 15 June 2015)
R Edgell
T Fenton (Chair, Resigned 23 July 2015)
C Graham (Appointed 1 February 2015)
J Hazlewood
R Lay (Appointed 1 February 2015)
M Johnson (Resigned 31 July 2015)
S Letman (Ex Officio)
A Marr (Acting Chair 24 July - 31 August 2015)
D Marsh (Appointed 15 June 2015)
M Pawlewski
L Ratliff (Resigned 5 September 2014)
F Rolfe
M Slattery
T Stocks (Resigned 31 December 2014)
M Vaughan (Resigned 9 March 2015)
I Williamson

Company Secretary S Beazley

Senior Leadership Team:

▪ Headteacher & Accounting Officer	S Letman
▪ Deputy Headteacher	N Shelley
▪ Assistant Headteacher	T Barrett
▪ Assistant Headteacher	P Hart

Registered Office Ipswich Road
Holbrook
Ipswich
Suffolk
IP9 2QX

Company Registration Number 07654882 (England and Wales)

Independent Auditor Izod Bassett
105 High Street
Needham Market
Suffolk
IP6 8DQ

Bankers HSBC
12 Tavern Street
Ipswich
Suffolk
IP1 3AZ

REPORT OF THE GOVERNORS

INTRODUCTION

The Governors, (who are Governors under the Academies Act 2010, Trustees under the Charities Act 2011 and Directors under the Companies Act 2006), present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2014 to 31 August 2015. The annual report serves the purpose of both a trustees' report under charity law and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 22 - 24 of the attached financial statements, and comply with the Charitable Company's Memorandum and Articles of Association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' as issued in March 2005 ('SORP 2005') and the Academies Accounts Direction 2015.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area south of Ipswich. It has a pupil capacity of 600 and had a roll of 426 in the school census on 1 October 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Holbrook Academy, hereafter referred to as the Academy, is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association dated 1 June 2011 are the prime governing documents of Academy.

The Governors act as trustees for the charitable activities of the Academy and are also directors of the Charitable Company for the purposes of company law. Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 2.

The name of the Charitable Company was changed at Companies House to Holbrook Academy with effect from 12 August 2013.

Members' Liability

The liability of the members of the Charitable Company is limited. 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.

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

Governors' Indemnities (Companies Act 2006 s236)

There were no provisions required for third party indemnity.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

REPORT OF THE GOVERNORS (continued)

Principal Activities

The Academy's object, as set out in its Articles of Association, is

- a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum;
- b) to promote for the benefit of the inhabitants of Holbrook and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Method of Recruitment and Appointment or Election of Governors

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Academy deed. The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation.

The term of office for any Governor shall be four years, save that this time limit shall not apply to either the Headteacher or Staff Governors, who shall hold office for so long as he/she continues to be employed as a teacher or member of support staff. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected. The Governors who were in office at 31 August 2015 and who served during the year are listed on page 3.

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 include training on educational, legal and financial matters. All new Governors will be given the opportunity of a tour of the Academy, have the chance to meet with staff and students and be provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Governors. As there is expected to be only a small number of new Governors a year, induction will be carried out informally and will be tailored specifically to the individual.

Organisational Structure

The new Academy was set up with a management structure to support the Education Brief. The Academy's organisational structure consists of two levels: the Governors and the Senior Leadership Team.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments.

The Committee structure comprises the Finance and Personnel Committee and the Quality and Monitoring Committee. Each Committee meets twice a term. During the course of the 2014-15 academic year the full Governing Body formally met 5 times.

The Governors have approved a scheme of financial delegation which clearly sets out the level of financial authority delegated to the Headteacher during the year.

REPORT OF THE GOVERNORS (continued)

The Senior Leadership Team (SLT) included the Headteacher, Deputy Headteacher, Assistant Headteacher (Students) and Assistant Headteacher (Learning and Progress). Together with Senior Teachers linked to faculties, the SLT are responsible for day to day operation of the Academy, in particular organising the teaching staff, students and resources.

Connected Organisations

Students from the Academy attended courses at East Bergholt High School, Easton and Otley College and Suffolk New College to enhance their education in specialist areas under normal business arrangements. In addition, students from East Bergholt High School attended the Academy for the Hospitality and Catering course. The Academy also purchased services from Suffolk County Council, under normal business arrangements.

Related Party Relationships

The Academy purchased careers advice for students from an organisation called Career Directions. The advisor is Mrs Sarah Pawlewski, the wife of one of the governors, Mr M Pawlewski. An exercise was done to check availability and cost of similar services and it was determined that this service was the best in terms of price and quality. The value of the transactions during 2014-15 totalled £1,500 excluding VAT. The Academy also purchased the services of Anthony Cullen for his photographic expertise to offer enrichment classes to the students during 2014-15. Mr Cullen is the husband of Mrs L Cullen, one of the governors a value for money exercise was undertaken. The value of transactions during 2014-15 totalled £1,440.

The Academy employs a member of staff, Mrs J Bowell who is also the wife of one of the governors, Mr Ian Bowell. She was employed at the Academy from 9 January 2006, before the governor was appointed on 2 December 2011.

Risk Management

During the course of 2014-15, the Academy considered its risk management arrangements. The Strategic Risk Register was updated and is scheduled for review on a regular basis. The Strategic Risk Register seeks to both identify the likelihood of a risk occurring, its impact and actions that are being taken to mitigate the risk. Risks included on the Register are varied but include educational risks such as the Academy not achieving the targeted student exam results, not achieving an increase in student numbers, a poor Ofsted inspection result and an inability to improve and maintain parental and wider community support. In addition, the register records the risks associated with major incidents, ICT system failures, failure to deliver its planned building project on time and several financial and operational risks, including budgetary risks and health and safety and safeguarding of student risks. Some significant financial risks such as public and employee liability are covered by insurance.

The Academy operates systems of internal financial control and checks which are examined periodically by the Academy's auditor and by internal and independent professional reviews.

OBJECTIVES AND ACTIVITIES

Aims and Objectives of the Academy

The Academy objectives are set out in its Articles of Association and referred to on page 4. In summary it is to establish, maintain, manage and develop a school offering a broad curriculum and to provide community facilities.

In accordance with the Articles of Association, the Academy has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which students are drawn, and that the curriculum should comply with the substance of the National Curriculum with an emphasis on English and Mathematics.

REPORT OF THE GOVERNORS (continued)

Objectives, Strategies and Activities

The Academy has a vision to produce young people with exemplary attitudes who will make a positive contribution to the community in which they live and to the wider world in the future. Our aim is that everybody can be somebody. The Academy has the ambition to become the educational hub to serve the local community.

The stated purpose of the Academy is to ensure that children learn for life by providing a distinctive educational experience and helping them to search for the qualities which will help them to stand out from the crowd. The Academy has a commitment to relentlessly focus on pupil achievement and the quality of provision in all areas. This will be achieved by continually improving teaching and learning and providing the best possible opportunities for all children to do the best they can.

A key objective is that examination results will improve so that all students will maximise their full potential.

The Academy's Improvement Plan is reviewed six times a year at meetings of the Governing Body.

Public Benefit

The Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

STRATEGIC REPORT

Achievements and Performance

The Academy had another very strong year in terms of the progress and outcomes of students. The school's HMI (Ofsted Inspector) remained pleased with the progress the Academy made in relation to its Ofsted development target action plan. The Department for Education Regional Commissioner's Office for the Eastern Region also expressed satisfaction with the Academy's performance and progress on all levels.

The results on the Ofsted 'Parent View' website continued to improve over the year. 97% of parents who completed the survey stated that their children were happy and safe and school. A similarly high proportion felt their children were making good progress and that the Academy was well led and managed.

Students' results in 2014-15 were significantly better than the previous year. 70% of Year 11 students achieved 5 or more A*-C grades including English and maths, representing an 11% improvement. Performance at the 'top end' was once again very strong as was the relative performance of other groups of students such as those in receipt of the Pupil Premium or Free School Meals and those with additional learning needs. Overall, the Academy's outcomes in 2015 were among the best in the South of Suffolk.

Key Financial Performance Indicators

The total number of students on roll in the year ended 31 August 2015 numbered 416.

From 1 September 2011 the Academy has a PAN (Pupil Admissions Number) each year of 120.

REPORT OF THE GOVERNORS (continued)

FINANCIAL REVIEW

Overview

During the year the Academy received total income of **£2,612,666**. Of this sum **£2,151,973** was received from the Department of Education (DfE) via the Education Funding Agency (EFA) in respect of its General Annual Grant, used for its day to day running costs. Expenditure for the year totalled **£2,806,147**

The budget position for revenue excluding the restricted pension fund was as follows:

Revenue	Unrestricted Funds £	Restricted Funds £	Total Revenue £
Income	167,848	2,319,429	2,487,277
Expenditure	180,256	2,394,196	2,574,542
Net deficit for year	(12,408)	(74,767)	(87,175)

The revenue reserves position is shown as follows:

Revenue	Unrestricted Funds £	Restricted Funds £	Total Revenue £
Reserves b/fwd as at 1 Sep 2014	14,601	110,390	124,991
Net deficit for the year	(12,408)	(74,767)	(87,175)
Reserves c/fwd to 1 Sep 2015	2,193	35,623	37,816

In total the Academy has revenue reserves totalling **£37,816**

The Governors have a duty as a public body to be transparent about the Academy's finances and are fully cognisant of the Academy's financial risks. As a result, a management plan to address them is already in place and is under constant review.

The Academy was expecting a deficit by the end of 2014-15 of £4,176, when the initial budget was set. With close management of expenditure during the year the Academy managed a final positive carry forward position of £37,816. However with an historical falling roll, the Academy's GAG funding for the next few years will be far lower than in earlier years and forward budget planning showed that for the next 4 years the Academy would have to set deficit budgets. The Academy had applied to the Department for Education for support during this period as the roll is now increasing to the extent that it can show recovery in future years to allow repayment of any advances made. The Department for Education have agreed phased repayable advance funding of £155,000, £80,000 to be paid in 2015-16 and £75,000 to be paid in 2016-17, the Academy will repay the advance in three instalments £50,000 in 2019-20, £50,000 in 2020-21 and £55,000 in 2021-22.

REPORT OF THE GOVERNORS (continued)

Reserves Policy

The Governing Body reviews the reserve levels of the Academy throughout the year, annually at the year-end and as a part of its medium term budget planning. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Governors determine what the level of uncommitted reserves should be. The main aims are to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies, such as urgent maintenance.

Fixed Assets / Capital

The Academy held **£6,987,400** restricted fixed asset funds as at 31 August 2015. The fixed asset fund reflects both the funding received for capital investment purposes and the net book value of assets. It should be noted that the Academy's land and buildings are on a 125 year lease from Suffolk County Council.

The Academy invested £130,899 during 2014-15 for the heating system and water tanks project funded by the Academies Capital Maintenance Fund grant following a successful bid to the Education Funding Agency.

Pension Fund (Local Government Pension Scheme)

Under Accounting Standard FRS17 it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for our non-teaching staff to a specific restricted reserve. As at 31 August 2015, the deficit on this reserve amounted to **£590,000**. It should be noted however that this does not present the Academy with a current liquidity problem. Increased contributions to the pension scheme are being made in order to reduce the deficit.

Investment Policy

During the period of these financial statements the Academy operated two bank accounts, one which was an interest bearing deposit account for surplus funds. In balancing risk against return the Academy policy is geared towards carefully managing the cash flow and maximising returns where possible but at very low risk.

Principal Risks and Uncertainties

The Academy has an established Strategic Risk Register which is reviewed when significant changes occur. The top financial risks that it has identified and is managing, include:

- not achieving planned increases in student numbers,
- not delivering the forecast necessary savings over the medium term,
- not maintaining sustainable improvements in student performance,
- uncertainty about central government funding in the future
- major costs associated with flat roof issues

The Academy implemented management action during 2015-16 in order to mitigate these risks and continues to review its medium term financial plan, in particular to make significant savings.

REPORT OF THE GOVERNORS (continued)

PLANS FOR FUTURE PERIODS

Our focus in 2015-16 is to build on the success recognised in the Academy's most recent full Ofsted Inspection report, published in November 2015. The inspectors noted that:

- The Academy was now 'Good' across all aspects. This was the target set for 2014-15;
- standards and achievement have risen rapidly;
- there is strong leadership and a clear vision;
- there are high expectations and standards; and
- teaching is of a high standard.

Whilst maintaining these high standards, areas for the Academy to work on are:

- Improving the attendance of some disadvantaged students;
- ensuring that assessment information is used even more effectively;
- achieving more consistency in terms of the progress of some disadvantaged students.

The new curriculum model and extended day launched in September 2014, whereby additional time for learning and enrichment activities was built into the working day, was praised highly by the inspectors. They particularly noted the significant improvement in levels of literacy since the launch of the new model. Work will continue to further refine and extend these opportunities for students in 2015-16.

AUDITORS

Insofar 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.

Governors' report, incorporating strategic report, approved by order of the members of the Governing Body on 16 December 2015 and signed on its behalf by:



Adrian Marr
Chair of Governors

GOVERNANCE STATEMENT**Scope of Responsibility**

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

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

Governance

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

Governor	Meetings attended	Out of a possible
G Anstee-Parry (Staff governor)	2	3
I Bowell	2	5
J Crabtree (Staff governor)	5	5
L Cullen	2	2
R Edgell	5	5
T Fenton (Chair 1/9/14 – 23/7/15)	5	5
C Graham	3	3
J Hazlewood	4	5
M Johnson	3	5
R Lay (Staff governor)	0	3
A Marr (Acting Chair – 24/7/15 - 31/8/15)	5	5
D Marsh	2	2
M Pawlewski	3	5
L Ratliff	0	0
F Rolfe	4	5
M Slattery	5	5
T Stocks	2	2
M Vaughan	2	2
I Williamson	3	5
S Letman (Headteacher and Accounting Officer)	5	5

Mr Fenton stood down as Chair of Governors at the meeting held on 23 July 2015 and Mr Adrian Marr agreed to be Acting Chair of Governors until formal elections took place in the Autumn term.

The main challenges during the year were associated with implementing the Recovery and Development Programme agreed by the Governors in November 2014. This was a consequence of a falling roll caused by the Academy's placement in special measures in 2012. The Academy's staffing structure was restructured in order to bring expenditure more closely in line with income. The key objective was to achieve necessary efficiencies without unduly affecting the quality of provision for students. The very strong GCSE outcomes in 2015, together with the excellent Ofsted report provided demonstrable evidence that this had been achieved.

Governance Review

Governors undertake a review of their work and effectiveness on a yearly basis and incorporate areas of improvement in their development plan and training plan.

GOVERNANCE STATEMENT (continued)

Review of Value for Money

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value for money 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 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 first priority for the year in question was to implement the Academy Recovery and Development Plan authored by the Headteacher and agreed by Governors in November 2014. The plan entailed bringing expenditure more closely into line with income and mapping out strategies designed to increase the pupil roll over time. Acting on external financial planning advice from ASCL a staff restructure programme was implemented during the spring term, leading to the closure of 5.6 FTE teaching and support posts. Total savings of £280,000 were made. In addition, increased emphasis on marketing and opening up new transport links outside the immediate catchment area resulted in increased interest in the academy. In September 2015, Year 7 numbers were significantly up on the previous year with actual numbers in the school in line with predictions.
- The second priority was to continue driving systems improvements in line with the Ofsted Development Target Action Plan. During the course of the year, strong improvements in pupils' progress and outcomes were evident. Visits from staff of the Department for Education's Regional Commissioner's Office and ongoing monitoring from the academy's HMI confirmed that improvements were being maintained and that students at the academy were receiving a good education.
- The third priority was to achieve a significant improvement in GCSE results in the summer of 2015 in order to strongly position the academy for its expected Ofsted inspection later in the year. In the event, the academy achieved a 70% 5 or more A*-C grades including maths and English outcome. This compared with a 59.2% outcome in 2014, which was in itself an improvement on the 2013 figure. This outcome, together with a strong 'value added' performance placed the school among the leading state schools in the South of the County.

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. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy 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 in place for Holbrook Academy for the year ended 31 August 2015 has been developed and strengthened during the course of this year.

- (i) Policies and procedures continued to be reviewed and implemented, including a revised purchasing procedure with more controls operated by the Senior Leadership Team.
- (ii) Financial delegations were approved by the Governing Body.
- (iii) The Governing Body appointed Ensors, an independent firm of chartered accountants, to conduct independent Responsible Officer type checks on financial controls.
- (iv) The development of data processes for tracking student progress and initiating intervention strategies continued.
- (v) Monitoring arrangements for assessing the quality of teaching and learning continued, including detailed faculty reviews by governors and internal staff

GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

The Governing Body is reviewing the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been or are being implemented to mitigate those risks.

During the course of the year the systems for identifying, evaluating and managing the Academy's significant risks were developed and strengthened. Notably:

- (i) Key Performance Indicators were refined and agreed with Governors.
- (ii) The revised Governing Body Committee structure continued to fortify performance monitoring and communication in the Academy and between the Governors themselves.
- (iii) The updating of the Strategic Risk Register included tracking of progress of mitigating actions

The Risk and Control Framework

The Academy'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:

- (i) Periodic reviews by the Governing Body of reports against its approved annual budget which indicate financial forecasts against budget,
- (ii) A scheme of financial delegation which includes the need for major spending decisions to be considered and approved by the Governing Body before commitments are made,
- (iii) Internal staff delegations of authority and separation of duties.

The Governors are cognisant of the Academy's key risks and have implemented management action accordingly.

The governors confirmed the re-appointment of Izod Bassett to act as the Academy's external auditor.

The Governing Body had considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

As set out in clause (iii) on page 12, the Governing Body appointed Ensors, an independent firm of chartered accountants, to perform Responsible Officer style checks for the year in question. This role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. Ensors carried out one visit during 2014-15 to look at the Income system and reported their findings to the Governing Body during the year. There were no material control issues identified by Ensors. The report was circulated and discussed by the Finance & Personnel committee and full Governing Body.

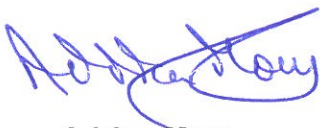
GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

- the work of the external auditor,
- the work of the independent review of financial controls by Ensors,
- an update of the Academy's financial policy and procedures,
- the work of the Finance & Personnel Committee which has responsibility for the monitoring of the internal control framework, and
- the strong financial skill set of the Finance & Personnel Committee.

Approved by order of the members of the Governing Body on 16 December 2015 and signed on its behalf by:



Adrian Marr
Chair of Governors



Dr Simon Letman
Headteacher and Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy trust's funding agreement and the Academies Financial Handbook.

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

Signed.....

Dr Simon Letman
Accounting Officer

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as Trustees for charitable activities of Holbrook Academy and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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 financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy the financial position of the Academy and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Academy 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 Academy applies financial and other controls, which conform to the requirements both of priority and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 16th December 2015 and signed on its behalf by:



Adrian Marr
Chair of Governors

Independent Auditor's Report to the members of Holbrook Academy

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

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

Respective responsibilities of governors and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust'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 financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Christopher L Bassett (Senior Statutory Auditor)

For and on behalf of Izod Bassett, Statutory Auditor, 105 High Street, Needham Market, Suffolk, IP6 8DQ
16 December 2015

Holbrook Academy

Independent Reporting Accountant's Assurance Report on Regularity to Holbrook Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 27 September 2013 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 Holbrook Academy during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Holbrook Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Holbrook Academy's funding agreement with the Secretary of State for Education dated 01 July 2011 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 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 our conclusion includes:

- enquiry of governors, officers and staff;
- inspection of accounting records and related documentation;
- review of responsible officer reports, meeting minutes, policy and other relevant documents.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Christopher L Bassett (Senior Statutory Auditor)
Izod Bassett, Chartered Accountants
105 High Street, Needham Market, Suffolk, IP6 8DQ

16 December 2015

Holbrook Academy

Statement of Financial Activities for the year ended 31 August 2015

	Notes	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Fund	Total 2015	Total 2014
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds:						
Voluntary Income	3	273	5,853	-	6,126	4,638
Activities for generating funds	4	117,615	3,111	-	120,726	136,335
Investment income	5	367	-	-	367	428
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	6	100	2,266,066	125,389	2,391,555	2,858,189
Other income	7	49,493	44,399	-	93,892	112,105
Total incoming resources		167,848	2,319,429	125,389	2,612,666	3,111,695
Resources expended						
Cost of generating funds:						
Cost of activities for generating funds	8	121,642	900	-	122,542	118,123
Charitable activities:						
Academy educational operations	9	58,614	2,401,119	212,695	2,672,428	2,755,371
Governance costs	10	-	11,177	-	11,177	9,805
Total resources expended	8	180,256	2,413,196	212,695	2,806,147	2,883,299
Net incoming/(outgoing) resources before transfers		(12,408)	(93,767)	(87,306)	(193,481)	228,396
Gross transfers between funds	19	-	-	-	-	-
Net incoming/(outgoing) resources		(12,408)	(93,767)	(87,306)	(193,481)	228,396
Actuarial losses on defined pension scheme	19,26	-	(19,000)	-	(19,000)	(167,000)
Net movement of funds in the period		(12,408)	(112,767)	(87,306)	(212,481)	61,396
Total funds brought forward at 1 September 2014		14,601	(441,610)	7,074,706	6,647,697	6,586,301
Total funds carried forward at 31 August 2015		2,193	(554,377)	6,987,400	6,435,216	6,647,697

All of the Academy's activities derive from continuing activities during the above two financial years.

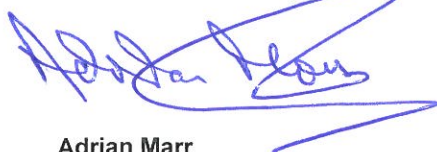
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Holbrook Academy

Balance Sheet as at 31 August 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	14	<u>7,009,074</u>	<u>7,090,870</u>
Current assets			
Stocks	15	3,706	6,658
Debtors	16	55,941	220,603
Cash at bank and in hand		<u>123,135</u>	<u>224,978</u>
		182,782	452,239
Current liabilities			
Creditors: amounts falling due within one year	17	<u>(144,815)</u>	<u>(327,412)</u>
Net current assets		<u>37,967</u>	<u>124,827</u>
Total assets less current liabilities		7,047,041	7,215,697
Creditors: amounts falling due after more than one year	18	<u>(21,825)</u>	<u>(16,000)</u>
Net assets excluding pension liability		7,025,216	7,199,697
Pension scheme liability	26	<u>(590,000)</u>	<u>(552,000)</u>
Net assets including pension liability		<u>6,435,216</u>	<u>6,647,697</u>
Funds of the Academy			
Restricted funds			
- Fixed asset fund	19	6,987,400	7,074,706
- General funds	19	35,623	110,390
- Pension reserve	19	<u>(590,000)</u>	<u>(552,000)</u>
Total restricted funds		<u>6,433,023</u>	<u>6,633,096</u>
Unrestricted funds			
- General fund	19	<u>2,193</u>	<u>14,601</u>
TOTAL FUNDS		<u>6,435,216</u>	<u>6,647,697</u>

The financial statements on pages 18 to 33 were approved by the Governors, and authorised for issue on 16 December 2015 and are signed on their behalf by:



Adrian Marr
Chair of Governors

Holbrook Academy

Cash Flow Statement for the year ended 31 August 2015

	Notes	2015 £	2014 £
Net cash (outflow) / inflow from operating activities	22	(96,700)	138,178
Returns on investments and servicing of finance	23	367	428
Net (outflow)/inflow from capital expenditure/grants	24	(5,510)	(43,996)
Increase / (decrease) in cash in the period	25	(101,843)	94,610
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September		224,978	130,368
Net funds at 31 August		123,135	224,978

1 Statement of Accounting policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

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

Incoming Resources

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

- **Grants receivable**

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

- **Donations**

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

- **Other income**

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

- **Donated Services and gifts in kind**

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

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds** - these are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable activities** - these are costs incurred on the Academy's educational operations.
- **Governance Costs** - these include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1 Accounting policies (continued)

Tangible Fixed Assets

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's depreciation policy. 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 at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Leasehold land and buildings	2%
Plant and machinery	5 to 7%
Furniture and equipment	10%
Computer equipment and software	33%

No depreciation is charged on assets that are not brought into use by the balance sheet date.

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.

Stock

Stock is valued at the lower of cost or net realisable value.

Taxation

The Academy 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.

Pensions Benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2015 (Continued)

1 Accounting policies (continued)

finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the grantor where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

2 General Annual Grant

Under the original funding agreement with the Secretary of State (dated 1 August 2011) the academy trust was subject to limits 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 2015.

Under a deed of variation to the master funding agreement, authorised by The Secretary of State for Education on 10 April 2014, these limits no longer apply.

3 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Donations – Revenue	273	5,853	6,126	4,638

4 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Income from services provided	94,575	-	94,575	98,577
Items sold	10,897	1,080	11,977	15,914
Hire of facilities	10,969	-	10,969	15,634
Fundraising	1,174	2,031	3,205	6,210
	<u>117,615</u>	<u>3,111</u>	<u>120,726</u>	<u>136,335</u>

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Bank interest	367	-	367	428

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2015 (*Continued*)

6 Funding for Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
DfE/EFA Grants				
General Annual Grant (GAG)	-	2,151,973	2,151,973	2,441,910
Capital Grants	-	125,389	125,389	271,539
Other DfE/EFA grants	-	101,557	101,557	127,619
	-	2,378,919	2,378,919	2,841,068
Other Government Grants				
Local authority grants	-	6,000	6,000	11,670
Other income	100	6,536	6,636	5,451
	100	2,391,455	2,391,555	2,858,189

7 Other Incoming Resources

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Academy Trips	-	44,399	44,399	55,640
Catering Income	49,493	-	49,493	56,465
Insurance Claims	-	-	-	-
	49,493	44,399	93,892	112,105

8 Resources Expended

	Staff costs £	Premises £	Other Costs £	Total 2015 £	Total 2014 £
Costs of activities for generating funds	88,149	20,880	13,513	122,542	118,123
Academy's educational operations:					
Direct costs	1,644,216	143,086	244,123	2,031,425	2,050,484
Allocated Support costs	288,211	134,657	218,135	641,003	708,887
	1,932,427	277,743	462,258	2,672,428	2,755,371
Governance costs	-	-	11,177	11,177	9,805
Total resources expended	2,020,576	298,623	486,948	2,806,147	2,883,299
Incoming/ (outgoing) resources for the year include:				2015 £	2014 £
Operating leases – plant and machinery				2,743	2,046

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2015 (Continued)

9 Charitable Activities – Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Direct Costs				
Teaching and educational support staff cost	-	1,619,435	1,619,435	1,644,832
Teaching Staff and educational indirect expenses	-	1,258	1,258	1,120
Agency teaching	-	24,781	24,781	3,393
Depreciation	-	212,695	212,695	193,780
Educational supplies	4,622	67,557	72,179	83,847
Examination fees	-	28,896	28,896	35,663
Staff development	445	6,055	6,500	7,905
Educational consultancy	-	615	615	3,310
Educational trips	-	35,304	35,304	57,455
Technology	863	28,899	29,762	19,178
	<u>5,930</u>	<u>2,025,495</u>	<u>2,031,425</u>	<u>2,050,483</u>
Allocated Support Costs				
Support staff costs	-	288,211	288,211	307,721
Other Staff indirect expenses	-	157	157	500
Pupil recruitment and support	-	11,376	11,376	27,519
Maintenance of premises and equipment	-	68,013	68,013	73,808
Cleaning	540	3,323	3,863	4,049
Rent, rates and water	-	19,131	19,131	18,430
Insurance	-	22,510	22,510	29,343
Travel and subsistence	-	10,879	10,879	11,002
Catering	49,493	29,148	78,641	77,453
Bank interest and charges	404	548	952	666
Heat and light	-	47,514	47,514	44,902
Legal & professional fees – non governance	-	65,220	65,220	80,400
Other support costs	2,247	22,289	24,536	29,095
	<u>52,684</u>	<u>588,319</u>	<u>641,003</u>	<u>704,888</u>
Total cost of charitable activities	<u>58,614</u>	<u>2,613,814</u>	<u>2,672,428</u>	<u>2,755,371</u>

10 Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	3,127	3,127	1,805
Auditors remuneration				
– for audit of financial statements	-	4,750	4,750	4,650
– other assurance and accounting services	-	3,300	3,300	3,350
	-	<u>11,177</u>	<u>11,177</u>	<u>9,805</u>

11 Staff Costs

	2015 £	2014 £
Staff costs during the period were:		
Wages and salaries	1,572,605	1,623,026
Social security costs	110,488	128,111
Other pension costs	281,111	269,310
	<u>1,964,205</u>	<u>2,020,447</u>
Supply staff costs	24,781	3,393
Staff restructuring costs	31,591	-
	<u>2,020,576</u>	<u>2,023,840</u>

The above staff costs include agency and supply teacher costs of £24,781 (2014: £3,393)

The staff restructuring costs represent the total amount paid, including redundancy payments, to 3 members of staff who left employment during 2014-15.

	2015	2014
The average number of persons (including senior management team) employed by the academy during the period:		
Charitable Activities		
Teachers	23	25
Administration and support	22	23
Management	5	4
	<u>50</u>	<u>52</u>

	2015	2014
The number of employees whose annual emoluments fell within the following bands was:		
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these employees amounted to £21,483 (2014: £20,930).

12 Governors' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

	Remuneration		Employer's pension contributions	
	2015	2014	2015	2014
S Letman	£85,000-£90,000	£80,000-£90,000	£10,000-£15,000	£10,000-£15,000
G Anstee-Parry	£30,000-£35,000	-	£0-£5,000	-
J Crabtree	£25,000-£30,000	£20,000-£25,000	£5,000-£10,000	£5,000-£10,000
R Lay	£30,000-£35,000	-	£0-£5,000	-
C Meadows	-	£30,000-£35,000	-	£0-£5,000

During the year ended 31 August 2015, expenses totalling £189 (2014: £879) were reimbursed to 3 governors.

13 Governors and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance for the year was £788 (2014: £776).

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2015 (Continued)

14 Tangible fixed assets

	Leasehold land and Buildings £	Plant and Machinery £	Furniture and equipment £	Computer equipment and software £	Total £
Cost:					
At 1 September 2014	7,154,293	267,229	23,345	153,572	7,598,439
Additions	-	130,899	-	-	130,899
At 31 August 2015	<u>7,154,293</u>	<u>398,128</u>	<u>23,345</u>	<u>153,572</u>	<u>7,729,338</u>
Depreciation:					
At 1 September 2014	431,535	3,258	4,821	67,955	507,569
Charge for period	143,086	23,313	2,334	43,962	212,695
At 31 August 2015	<u>574,621</u>	<u>26,571</u>	<u>7,155</u>	<u>111,917</u>	<u>720,264</u>
Net written down value					
At 31 August 2015	<u>6,579,672</u>	<u>371,557</u>	<u>16,190</u>	<u>41,655</u>	<u>7,009,074</u>
At 31 August 2014	<u>6,722,758</u>	<u>263,971</u>	<u>18,524</u>	<u>85,617</u>	<u>7,090,870</u>

15 Stock

	2015 £	2014 £
Consumables	3,046	6,658
Items for re-sale	660	-
	<u>3,706</u>	<u>6,658</u>

16 Debtors

	2015 £	2014 £
Prepayments and accrued income	51,804	202,035
Other debtors	-	664
VAT receivable	4,137	17,904
	<u>55,941</u>	<u>220,603</u>

17 Creditors: amounts falling due within one year

	2015 £	2014 £
Expense creditors	22,796	269,851
Taxation and social security	33,005	-
Other creditors	51,075	21,242
Accruals and deferred income	37,939	36,319
	<u>144,815</u>	<u>327,412</u>

Deferred income included above amounts to £7,812 (2014: £7,320) which relates to income received in advance for grants and school trips.

Included within other creditors is a loan of £2,700 from Salix Finance Limited which is provided on terms set out in note 18.

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2015 (Continued)

18 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Other creditors	21,825	16,000

Included within other creditors is an interest free loan of £17,550 from Salix Finance Limited which is repayable over 8 years in bi-annual equal instalments.

19 Funds

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	103,695	2,151,974	(2,101,226)	(119,000)	35,443
Other DfE/YPLA Grant	-	101,557	(101,557)	-	-
Other Restricted Funds	6,695	65,898	(72,413)	-	180
	110,390	2,319,429	(2,275,196)	(119,000)	35,623
Restricted pension fund					
Pension reserve	(552,000)	-	(138,000)	100,000	(590,000)
Restricted Fixed Assets					
Transferred on conversion	6,439,487	-	(137,254)	-	6,302,233
DfE/YPLA capital grants	594,195	125,389	(60,846)	-	658,738
Capital expenditure from GAG	40,243	-	(14,506)	-	25,737
Capital expenditure from other funds	781	-	(89)	-	692
	7,074,706	125,389	(212,695)	-	6,987,400
Total Restricted Funds	6,633,096	2,444,818	(2,625,891)	(19,000)	6,433,023
Unrestricted funds					
Unrestricted funds	14,601	167,848	(180,256)	-	2,193
Total Funds	6,647,697	2,612,666	2,806,147	(19,000)	6,435,216

Analysis of net assets between funds

	Unrestricted funds	Restricted General funds	Restricted Fixed asset funds	Total Funds 2015 £
Funds balances at 31 August are represent by				
Tangible fixed assets	-	-	7,009,074	7,009,074
Current assets	9,459	150,380	22,943	182,782
Current liabilities	(7,266)	(110,482)	(27,067)	(144,815)
Non-current liabilities	-	(4,275)	(17,550)	(21,825)
Pension scheme liabilities	-	(590,000)	-	(590,000)
Total net assets	2,193	(554,377)	6,987,400	6,435,216

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2015 (Continued)

20 Financial commitments

Operating leases

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

	2015 £	2014 £
Expiring within one year	-	-
Expiring within two to five years inclusive	1,328	1,328
Expiring in over five years	-	-

21 Reconciliation of net income to net cash inflows

	2015 £	2014 £
Net (expenditure)/ income	(193,481)	228,396
Depreciation	212,695	193,780
Capital grants from DfE and other capital grants	(125,389)	(271,539)
Interest receivable	(367)	(428)
FRS17 pension cost less contributions payable	13,000	(11,000)
FRS17 pension finance income	6,000	7,000
(Increase)/decrease in stocks	2,952	(416)
(Increase)/decrease in debtors	164,662	(143,381)
Increase/(decrease) in creditors	(176,772)	135,766
Net cash inflow from operating activities	(96,700)	138,178

22 Returns on investments and servicing of finance

	2015 £	2014 £
Interest received	367	428

23 Capital grants and expenditure

	Total 2015 £	Total 2014 £
Capital grants from DfE/YPLA	125,389	271,539
Purchase of tangible assets	(130,899)	(315,535)
Net cash outflow on capital expenditure	(5,510)	(43,996)

24 Analysis of charges in net funds

	At 1 September 2014 £	Cashflows £	At 31 August 2015 £
Cash at bank and in hand	224,978	101,843	123,135

25 Pensions and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Suffolk 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 of the LGPS 31 March 2013.

Contributions amounting to £30,978 (2014:£nil) 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. 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £143,092 (2014: £155,221).

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

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

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2015 (*Continued*)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £186,000, of which employer's contributions totalled £150,000 and employees' contributions totalled £36,000. The agreed contribution rates for future years are 25.5% for employers and a variable % for employees dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £12,900	5.50%
£12,901 - £15,100	5.80%
£15,101 - £19,400	5.90%
£19,401 - £32,400	6.50%
£32,401 - £43,300	6.80%
£43,301 - £81,100	7.20%
Above £81,100	7.50%

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

	At 31 August 2015 % p.a.	At 31 August 2014 % p.a.
Pension increase rate	2.60	2.60
Salary increase rate	4.50	4.40
Expected return on assets	3.70	5.50
Discount rate	3.70	3.70

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

	At 31 August 2015 Years	At 31 August 2014 Years
<i>Current pensioners</i>		
Male	22.4	22.4
Female	24.4	24.4
<i>Future pensioners</i>		
Male	24.3	24.3
Female	26.9	26.9

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

	Expected Return at 31 August 2015	Value at 31 August 2015	Expected Return at 31 August 2014	Value at 31 August 2014
		£000		£000
Equities		624		536
Bonds		196		166
Property		102		79
Cash		9		8
Total market value of assets		931		789
Present value of scheme liabilities - funded		(1,521)		(1,341)
Deficit in the scheme		(590)		(552)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

The return on the Fund in market value terms for the year to 31 August 2015 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary. The estimated return for the year to 31 August 2015 is 3.9%.

Holbrook Academy

Notes forming part of the financial statements for the year ended 31 August 2015 (*Continued*)

Local Government Pension Scheme (*continued*)

Amounts recognised in the statement of financial activities

	2015 £000	2014 £000
Current service cost	132	106
Past service cost	-	-
	<u>132</u>	<u>106</u>
Total operating charge		

Analysis of pension finance income/(costs)

	2015 £000	2014 £000
Expected return on pension scheme assets	46	49
Interest on pension liabilities	(52)	(56)
	<u>(6)</u>	<u>(7)</u>
Pension finance income/(costs)		

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £237,000 loss (2014: £70,000 loss).

Movements in the present value of defined benefit obligations:

	2015 £000	2014 £000
At 1 September	1,341	1,168
Current service cost	132	106
Interest cost	52	56
Employee contributions	27	28
Actuarial (gain)/loss	7	17
Estimated benefits paid	(38)	(34)
	<u>1,521</u>	<u>1,341</u>
At 31 August	1,521	1,341

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

	2015 £000	2014 £000
At 1 September	789	779
Expected return on assets	46	49
Actuarial gain/(loss)	(12)	(150)
Employer contributions	119	117
Employee contributions	27	28
Estimated benefits paid	(38)	(34)
	<u>931</u>	<u>789</u>
At 31 August	931	789

History of experience adjustments:

	2015 £000	2014 £000	2013 £000	2012 £000
Present value of defined benefit obligations	(1,521)	(1,341)	(1,168)	(960)
Fair value of share of scheme assets	<u>931</u>	<u>789</u>	<u>779</u>	<u>577</u>
Deficit in the scheme	<u>(590)</u>	<u>(552)</u>	<u>(389)</u>	<u>(383)</u>
Experience adjustments on share of scheme assets	(12)	(150)	55	(26)
Experience adjustments on scheme liabilities	2	183	-	-

26 Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee 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 transactions took place during the year:

- the academy purchased services amounting to £1,500 from Career Directions Limited, a business owned by Mrs Pawlewski, wife of Mr M Pawlewski a governor of the academy. The academy made the purchase at arm's length in accordance with its financial regulations;
- the academy paid a salary to Mrs J Bowell, a member of staff who is the wife of Mr I Bowell, a governor of the academy.
- the academy purchased the services of Anthony Cullen for his photographic expertise to offer enrichment classes to the students during 2014-15. Mr Cullen is the husband of Mrs L Cullen, one of the governors a value for money exercise was undertaken. The value of transactions during 2014-15 totalled £1,440.

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

27 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.