

# **Emerson Park Academy**

## **Annual Report and Financial Statements**

Year ended 31 August 2015

Company Limited by Guarantee  
Registration Number  
07726858 (England and Wales)

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## Reference and administrative information

<b>Members</b>	Mr Paul Connew Mr John Luff Mr Martin Tilbury
<b>Directors</b>	Mr John Luff (Chair of Directors) Mrs Victoria O'Connor (Vice Chair of Directors) Mr Martin Tilbury (Vice Chair of Directors) Mr Paul Connew Mr Mark Cornish Mr Michael Gleeson Mrs Della Jones Mrs Pamela Lee Mr Robert Owen Mr Kevin Walsh (Headteacher)
<b>Company Secretary</b>	Mr Peter Wells
<b>Senior Leadership Team</b>	
Headteacher	Kevin Walsh
Deputy Head	Kylie Blaize Ray Consterdine
Assistant Head	Christine Crawley Mark Hope Graham Linge
Business Manager	Peter Wells
<b>Registered address</b>	Wych Elm Road Wingletye Lane Hornchurch Essex RM11 3AD
<b>Company registration number</b>	07726858 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Natwest Bank Plc 120 – 122 High Street Hornchurch RM12 3UL

## Reference and administrative information

<b>Solicitors</b>	Bates, Wells and Braithwaite LLP 2 – 6 Cannon Street London EC4M 6YH
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## **Directors' report** Year ended 31 August 2015

The Directors of Emerson Park Academy ('the Academy') present their statutory report together with the financial statements of the charitable company for the year to 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 30 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" ('SORP 2005').

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

Emerson Park Academy 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 Directors act as the trustees for the charitable activities of Emerson Park Academy and are also the directors of the charitable company for the purposes of company law.

Details of the Directors who served throughout the year except as noted on page 4.

#### **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 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.

#### **Directors' indemnities**

The Academy has opted into the Department of Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects the Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Directors**

The Directors are directors of the charitable company for the purposes of the Companies Act 2006. The following Directors were in office at 31 August 2015 and served throughout the period except where shown.

<b>Director</b>	<b>Appointed/Resigned</b>	
Mr John Luff (Chair of Directors)*		Member appointed Director
Mrs Victoria O'Connor* (Vice Chair of Directors)		Co-opted Director
Mr Martin Tilbury (Vice Chair of Directors)		Co-opted Director
Mrs Kay Chamberlin	Resigned 10 November 2014	Co-opted Director
Mr Paul Connew*		Co-opted Director
Mr Mark Cornish*	Appointed 9 December 2014	Parent Director
Mr Michael Gleeson*		Member appointed Director
Mr John Gray	Resigned 4 October 2014	Parent Director
Mrs Della Jones		Staff Director
Mrs Pamela Lee*		Member appointed Director
Mr Robert Owen		Staff Director
Mr Andrew Read	Resigned 5 August 2015	Parent Director
Mr Neil Rebeugeot-Smith*	Resigned 10 November 2014	Parent Director
Mr Ian Tanner*	Resigned 7 July 2015	Parent Director
Mr Kevin Walsh (Headteacher)*		Ex-Officio Director

\*Member of the Finance and Revenue Committee

Subsequent to the year end, the term of office for Mr John Gray ended on 4 October 2014, the term of office for Mr Neil Rebeugeot-Smith ended on 11 October 2014 and the term of office for Mrs Kay Chamberlin ended on 10 November 2014. Mr Mark Cornish was appointed as a Director on 9 December 2014.

### **Method of Recruitment and appointment or election of Directors**

Emerson Park Academy was incorporated as a private limited company on 2 August 2011. The three founding members of the Academy Trust are Mr Martin Tilbury, Mr John Luff and Mr Paul Connew. A Board of up to 15 Directors are responsible for the Governance of the Academy. In accordance with the Memorandum and Articles of Association, Members may appoint up to three Directors. Up to six Parent Directors may be appointed following an election process of parents/guardians of existing students. Nominees for Parent Director must have a student currently on roll at the Academy. There are positions for up to three Co-Opted Directors who may be appointed by the Board themselves. There are two Staff Director Appointments, one teaching and one non-teaching member of staff may be nominated and appointed following an election process of the respective staff members. Mr Walsh as Head Teacher is also an ex-officio member of the Board.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Policies and procedures adopted for the induction and training of Directors**

Newly appointed Directors will attend Induction courses run by the Local Authority Governing Body Support Unit. In addition, a Directors Handbook containing recent minutes, Academy Development Plan, latest Headteacher's Report, Committee's list and recommendations of courses to attend is also made available in the Academy.

**Organisational structure as at 31 August 2015**

Organisational structure as at 01 August 2016

Emerson Park Academy Trust Members			
Founding Members:	Mr P Connew	Mr J Luff	Mr M Tilbury
Board of Directors			
Parent Elected Directors	Mr Mark Cornish		
Co-Opted Directors	Mrs Victoria O'Connor		
	Mr Paul Connew		
	Mr Martin Tilbury		
Staff Directors	Mrs Della Jones	Elected, Non-Teaching	
	Mr Robert Owen	Elected, Teaching	
	Mr Kevin Walsh	Head Teacher (ex-officio)	
Member Appointed Directors	Mr Michael Gleeson		
	Mrs Pamela Lee		
	Mr John Luff		
Company Secretary	Mr Peter Wells		
COMMITTEES			
Finance and Revenue Committee	Facilities Management Committee	Learning and Achievement Committee and Student Wellbeing Committee	Human Resources Committee
Mr P Connew (Chair)	Mr M Gleeson (Chair)	Mrs V O'Connor (Chair)	Mrs P Lee (Chair)
Mr M Cornish	Mrs V O'Connor	Mrs K Chamberlin	Mr J Luff
Mr M Gleeson	Mr R Owen	Mr M Cornish	Mrs V O'Connor
Mrs P Lee	Mr M Tilbury	Mrs D Jones	Mr M Tilbury
Mr J Luff	Mr K Walsh	Mrs P Lee	Mr K Walsh
Mrs V O'Connor		Mr J Luff	
Mr K Walsh		Mr R Owen	
		Mr M Tilbury	

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Connected Organisations, including related party relationships**

Emerson Park Academy currently works in partnership with:

Havering Sports Collective (HSC) – as one of two Sports Specialist Colleges Emerson Park administers and coordinates sports activities, working alongside Coopers' Company & Coborn School, across the borough of Havering for all participating primary and secondary schools.

Emerson Park is a fully active partner within the Havering Educational Partnership (HEP) and the Havering Teacher Training Partnership (HTTP).

## **OBJECTIVES AND ACTIVITIES**

### **Principal activities**

The Academy Trust's objects are specifically restricted to the following:

- (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 ("the Academy").

### **Objectives and aims**

We aim to support our pupils' educational growth in mind, body and spirit, to build upon their prior learning, develop their potential and prepare them for the future.

We encourage and challenge all of our students to be the best they can be and to make a positive contribution both in school and beyond.

- ◆ We strive to offer the highest standards in teaching and learning, in order to maximise the achievements of all pupils.
- ◆ We aim to make learning interesting and enjoyable. Our curriculum aims to offer a broad balance of essential and wider experiences so that each child can find something they can enjoy and in which they can find success.
- ◆ We seek to develop enquiring minds, an appetite for knowledge and the attitudes, values and educational basis necessary for our young people to grow into useful members of society.

We believe that this is best achieved if those involved are happy and working in a friendly, safe and supportive environment which is ordered, calm and purposeful.

## OBJECTIVES AND ACTIVITIES (continued)

### Objectives, strategies & activities

Staff training is key to moving the academy towards its stated goal of being 'outstanding'. Emerson Park Academy has been awarded the CPD mark (in recognition of excellent Continued Professional Development across all staff & governors).

Emerson Park Academy seeks to enhance learning and accelerate pupil progress by embedding robust targeting and tracking.

The development of innovative strategies and resources (including ICT) is constantly under review.

### Public Benefit

The provision of education at Emerson Park Academy is for public benefit. The Directors have complied with their duty to have due regard to the guidance on public benefit, published by the Charity Commission, in exercising their power or duties.

## STRATEGIC REPORT

### Achievements and performance

#### Review of activities

Emerson Park Academy is judged to be a 'Good' school – Ofsted Nov. 2011.

			Percentage of Pupils Achieving									QCA	
Gender	Year	NOC	3+ A*-A	5+ A*-C	5+ A*-G	1+ A*-G	Any Qual	5+ A*-C inc GCSE E&M	5+ A*-C inc L2 E&M	Ebacc	5+ A*-G inc L1 E&M	APS	Capped APS
All	2015	193	15.0	68.9	97.4	100.0	100.0	60.1	60.1	13.5		373.2	319.9
All	2014	193	18.1	69.4	97.4	98.4	98.4	55.2	55.2	8.3	98.4	336.8	313.6
All	2013	189	23.3	95.8	99.5	99.5	99.5	70.0	70.0	18.0	99.5	542.4	357.7

P.Prem.	2015	30	3.3	43.3	96.7	100.0	100.0	33.3	33.3	3.3	83.3	314.6	277.9
P.Prem.	2014	18	0.0	38.9	83.3	94.4	94.4	16.7	16.7	5.6	83.3	256.4	241.9

This year's GCSE results showed an overall improvement on those from 2014. The "gold standard" 5A\*-C including English and Maths rose by 5% to 60% and the Capped Average Point score to 319.9 from 313.6 in 2014. Core subjects again performed well, although the number of students making expected progress in Maths fell below the national average this year. Whilst disappointing, this was not a surprise in view of the upheaval to specialist staffing throughout the year.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

*Review of activities (continued)*

Most subjects performed well, most notably Design Technology, Media Studies and Business and Communication. History also continued its improvement of last year, supporting the important Ebacc area of the curriculum.

The Academy was successful in applying to the Department of Education for a Capital Improvement Grant. This will fund the replacement of defective Emergency Lighting throughout the school site during the coming months. New LED lighting has also been installed in the sports hall and gymnasium to replace obsolete fluorescent and tungsten lighting. Other capital investment included the provision of a fully accessible disabled washroom facility.

The introduction of cashless catering has seen a significant increase in use of the catering provision during break and lunch times. The Academy has invested in replacement ovens and refrigeration equipment to ensure it is able to meet the increased demand.

The Parents & Teachers Association continues to raise funds to contribute towards the upgrading of the Library.

Whilst the Academy continues to try and implement plans to improve specific facilities at the school, these are often prevented by events totally outside the control of the school. The Academy experienced damage caused by a lightning strike to one of the lighting poles on the Astro facility. This resulted in significant damage to the boiler and heating controls, intruder alarm, CCTV and telephone systems. In carrying out the repairs, the Academy invested in upgrading the boiler controls to improve the flexibility of heat distribution throughout the buildings. Some months later, another lightning strike to a close-by residential property resulted in further additional damage to our CCTV system.

Other issues facing the Academy this year included major water leaks both internally and on the incoming mains supply under the access road onto the site. The gas supply to one of the Science laboratories was shut down following the discovery of a leak in the pipework buried in the concrete floor. A temporary solution has been implemented to ensure the safe restoration of the supply to the affected laboratory. These failures in the original water and gas pipework installation from 1950's clearly demonstrate the need for significant investment to ensure the continuity of curriculum delivery and the safety of our students, staff and visitors.

*Trips & visits*

Last year the Academy provided a variety of trips and visits to enhance the experience of our students. A wide range of theatre visits including a reward trip to the Lion King, an Arts faculty trip to the Alice in Wonderland ballet, a GCSE Drama trip to The Crucible and a Year 8 English Trip to the Globe Theatre.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***Review of activities*** (continued)

*Trips & visits* (continued)

There were residential sports tours to Leicester for rugby and a multisports tour to Paris. Ypres was the overnight destination for tours of the World War I battlefields of Belgium and The Somme, planned initially for June but postponed to September due to the disruption at the Channel tunnel. The Modern Foreign Languages faculty also organised a residential trip to Normandy at Easter.

Students also enjoyed visits to Epping Forest for the Geography GCSE field trip, Twickenham for the Aviva premiership Rugby Final, The Tate Modern for GCSE Art and the annual London Lights trips for Year 7 students in December. More ambitious journeys took our Global Links group to Vidin in Bulgaria and our Skiers to Salt Lake City in Utah, America.

*Sporting activities*

PE and School Sport continues to grow at Emerson Park and we have had several individual and team successes over the last academic year including the year 8 Rugby team who won the Havering League, Havering Trophy and Essex Cup, the year 9 Rugby team who won the Havering Shield and the Year 11 Rugby team who won the Havering League and Havering Trophy. The year 8 Rugby team also won, whilst the year 7 and 11 teams were runners up, in the Havering & Redbridge Emerging Schools Festival. Football successes included year 10 winning the Essex Cup, year 7 becoming the Lyca Mobile Regional Champions and reaching the finals of the London Cup. In addition, the Year 7 and Year 9 football teams were winners of the Havering Cup. The girls U13 football team were Essex Champions whilst the girls U14 team won their league and were runners up in the Final.

In Basketball, the year 8 team became Havering Champions whilst the year 9 team were finalists. The year 7 and 8 indoor athletics teams both did well coming third in Borough competitions. The girls U14 Hockey team were runners up in the Havering Schools Rally whilst the boys U16 team narrowly missed out on playing in the final of the Essex Plate hockey competition.

Celebrating individual successes; in Basketball Jarzinho Morris was picked for the U14 Essex Clubs' Basketball side and also played in the U16 team at Essex Leopards. Another outstanding performance in Trampolining was given by Rebecca Gill in year 7 who was 2nd in the Borough completion missing the winning place by a single point!

Each week hundreds of students attend a variety of challenging and enjoyable clubs on offer at the Academy as we continue to develop the sporting facilities.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***Review of activities*** (continued)

*Sporting activities* (continued)

We provide enrichment activities that reach out and appeal to our young people at Emerson Park including our Year 7 Teambuilding events held at the Academy this year enabling our new students to get to know each other and build friendships that will last throughout their time at the Academy.

Our partnership with Coopers' Company & Coborn School in the form of the Havering Sports Collective has enabled us to deliver additional sports activities into 40 Primary and all 18 Secondary schools across Havering. This programme has been recognised both locally and nationally as outstanding in supporting young people in sport. Our facilities are also made available to the local community and in excess of 30 local clubs or groups benefit from them weekly.

*Duke of Edinburgh Award Scheme*

Emerson Park Academy is a licensed independent unit of the Duke of Edinburgh's Award Scheme managed by the staff at the Academy. In June and July 30 students participated in the practice expedition to Danbury and the assessed expedition to Thetford Forest. We now have 42 year 10 students enrolled on to next year's award programme for whom the Academy is providing after school training.

***Key performance indicators***

The following key performance indicators are considered by the Directors:

- ◆ Student gender analysis
- ◆ Payroll ratio
- ◆ Pupil attendance
- ◆ English Baccalaureate
- ◆ GCSE A\*/A grades
- ◆ GCSE A\* - C including English and Maths
- ◆ 3 levels of progress in English
- ◆ 3 levels of progress in Maths
- ◆ Attainment 8
- ◆ Progress 8

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***Going concern***

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy has adequate resources to continue its 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**

***Financial report for the year***

The Academy's total incoming resources for the year to 31 August 2015 amounted to £6,185,890 (2014 – £5,810,395), including £5,305,076 related to the EFA revenue grant (2014 – £5,320,586).

The Academy held fund balances of £6,963,152 at 31 August 2015 which includes unrestricted funds of £464,801, of which £100,000 is held as a designated fund.

The results for the period are shown on page 24.

***Reserves policy***

As part of the transfer to academy status, the Directors are in a position to determine an appropriate level of free reserves (total funds less the amount held in tangible fixed assets, restricted funds and designated funds). The minimum level of free reserves to be held has been set at £180,000. The reason for this is to provide sufficient working capital to provide resources to deal with unexpected emergencies such as urgent maintenance and to cover delays between spending and receipts of grants. The School's free reserves at 31 August 2015 is £464,801 which the directors believe is adequate but not excessive.

The pension reserve, which represents the Academy's share of the Local Government Pension Scheme's (LGPS) assets and liabilities, is in deficit at £985,000 (2014 – £866,000) at 31 August 2015. The deficit is not expected to crystallise in the near future and any cash outflows arising from the deficit will occur over a number of years.

***Investment policy***

The Academy utilises a high interest bearing account for cash balances exceeding £10,000.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Board of Directors identify, assess and mitigate risk both for the Academy and as a whole and its operations. A Risk Register is in place which is subject to regular review and made available to all staff. Key members of staff and Directors are involved in the preparation of the Risk Register. All members of staff are aware of the risk management policy and the controls in place to limit exposure to risk.

The principal risks the Academy faces are:

- ◆ **Funding** - reduced funding from the DfE for both general expenditure and capital maintenance is resulting in us consuming our 'reserves' in order to set our annual budget. There is very limited ability to improve the buildings and infrastructure to support the requirements of the changing curriculum. The Academy continues to vigorously pursue grant opportunities to assist in improving the poor condition of many areas of the school. However, the increased dependency on our reserves has resulted in all non-urgent repairs and improvements being curtailed.
- ◆ **Payroll costs** – salary increases and increases to employer NI and Pension contributions has resulted in our salary costs reaching almost 90% of our annual funding from the DfE. Further impact of the increased employer NI costs during the next Academic year will continue to exacerbate this situation.
- ◆ **Staffing** – with the continuing financial pressure we are experiencing issues retaining good staff and recruiting experienced replacement staff.
- ◆ **General expenses** – whilst strict controls have been established to minimise controllable expenditure, inflation in addition to significant increase in utility costs are reducing funds available to deliver curriculum (especially against a reduction in funding).
- ◆ **Health & Safety** – the health, safety and security of our students, staff and visitors is of paramount importance and financial constraints are preventing us from improving the environment to address some issues which have been identified.

## **FUTURE ACTIVITIES AND PLANS**

The Board of Directors approve the annual budget which is monitored by the Finance and Revenue Committee to ensure it supports the requirements specified in the School Development Plan. The Academy will continue to pursue further grant opportunities to develop and improve the facilities provided to students.

**Directors' report** Year ended 31 August 2015

**AUDITORS**

In so far as the Directors are aware:

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

Trustees' report, including a strategic report, approved by order of the members of the Board of Directors on 8 December 2015 and signed on its behalf by:



Mr John Luff  
Chair of Directors

Date: 11/12/2015

**Scope of responsibility**

As Directors, we acknowledge we have overall responsibility for ensuring that the Emerson Park 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 Board of Directors 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 and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Directors' report and in the statement of Directors' responsibilities. The Board of Directors has formally met 3 times during the period. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Number of meetings attended	Out of a possible
Mrs K Chamberlin	—	—
Mr P Connew	3	3
Mr M Cornish	3	3
Mr M Gleeson	3	3
Mr J Gray	—	—
Mrs D Jones	3	3
Mrs P Lee	3	3
Mr J Luff	3	3
Mrs V O'Connor	2	3
Mr R Owen	2	3
Mr A Read	—	3
Mr N Rebeugeot-Smith	—	—
Mr I Tanner	2	3
Mr M Tilbury	2	3
Mr K Walsh	3	3
Mr P Wells (Company Secretary)	3	3

A review of Governance is undertaken annually and in September 2014 this included a skills and training review. A number of Directors' terms of office will come to an end during Autumn 2014 term and a full review of the structure of the Governing Body is underway.

## Governance statement 31 August 2015

### Governance (continued)

The Finance and Revenue Committee is a sub-committee of the main Board of Directors.

Attendance at meetings in the year was as follows:

Director	Number of meetings attended	Out of a possible
Mr P Connew	6	6
Mr M Cornish	3	3
Mr M Gleeson	6	6
Mrs P Lee	6	6
Mr J Luff	5	6
Mrs V O'Connor	4	6
Mr N Rebeugeot - Smith	—	1
Mr I Tanner	3	6
Mr K Walsh	6	6
Mr P Wells (Company Secretary)	6	6

### Governance Reviews

The whole structure of governance was reviewed and amended at the start of the academic year. Two new committees were formed, Learning & Achievement and Student Wellbeing.

The Directors have also completed a full skills audit.

### Review of value for Money

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

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

During the year, a new cleaning services contractor was appointed in collaboration with two other local schools following a successful full EU tender process. This three year contract represents significant savings over the previous supplier whilst requiring the same standards to be met.

The introduction of the cashless operation has seen improvements in efficiency by eliminating the handling of large sums of cash.

The Academy has carried out a full review of our energy suppliers and selected new suppliers who will achieve savings over our current suppliers even taking into account the proposed increases to gas and electricity costs.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's 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 at the Academy for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Directors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

**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:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- ◆ regular reviews by the Finance and Revenue 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 Directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Directors have appointed Buzzacott LLP, the external auditor, to perform a range of compliance checks on the Academy's financial systems and procedures. The external auditor reports to the Directors annually on the operation of the system of control and on the discharge of the Board of Directors' financial responsibilities. The findings from the last visit resulted in some recommendations being made but none were deemed to be significant.

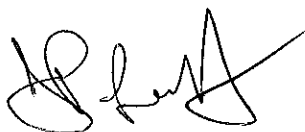
**Review of effectiveness**

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

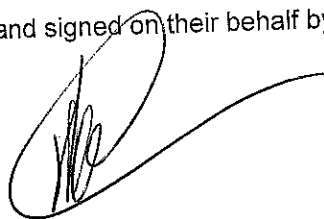
- ♦ the work of the external auditor;
- ♦ the financial management and governance self assessment process;
- ♦ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Revenue Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors and signed on their behalf by:



Mr John Luff  
Chair of Directors



Mr Kevin Walsh  
Headteacher and Accounting Officer

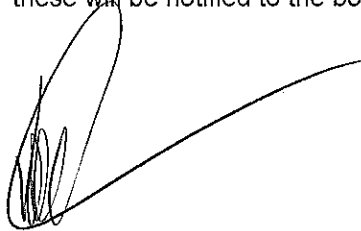
Approved on: 8 December 2015

**Statement on regularity, propriety and compliance 31 August 2015**

As Accounting Officer of Emerson Park Academy, I have considered my responsibility to notify the Academy's Board of Directors 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 Board of Directors 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 directors and EFA.

A handwritten signature in black ink, appearing to be 'Kevin Walsh', with a long horizontal stroke extending to the right.

Mr Kevin Walsh  
Accounting Officer

Date: 8 December 2015

## Statement of directors' responsibilities 31 August 2015

The Directors (who act as governors of the Academy) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors 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 period. In preparing these financial statements, the Directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time 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 Directors are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Directors are responsible for the maintenance and integrity of the charity 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 Board of Directors on 8 December 2015 and signed on its behalf by:

  
Chair of Directors

Date: 11/12/2015

**Independent auditor's report on the financial statements to the Board of Directors of Emerson Park Academy**

We have audited the financial statements of Emerson Park Academy for the year ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies 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 Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

The Directors act as trustees for the charitable activities of Emerson Park Academy and are also the directors of the charity for the purpose of company law.

As explained more fully in the statement of Directors' responsibilities set out in the Directors' report, the Directors 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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report, including the strategic 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.

## **Independent auditor's report on the financial statements** 31 August 2015

### **Opinion**

In our opinion:

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

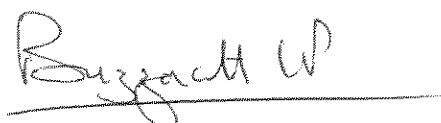
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report, including the strategic 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 Directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

17 December 2015

**Independent reporting accountant's assurance report on regularity to Emerson Park Academy and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 30 July 2012 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 Emerson Park Academy during the year ended 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Emerson Park 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 Emerson Park 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 Emerson Park Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Emerson Park Academy's accounting officer and the reporting accountant**

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

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

**Approach**

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

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

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

## Independent reporting accountant's report on regularity 31 August 2015

### Approach (continued)

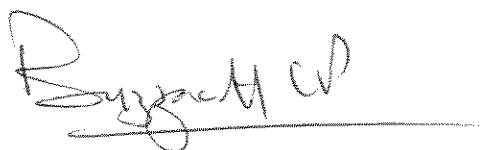
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

### Conclusion

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



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

17 December 2015

**Statement of financial activities** Year ended 31 August 2015  
(incorporating the income and expenditure account)

		Restricted Funds					
	Notes	Unrestricted funds £	EFA £	Other £	Fixed assets fund £	2015 Total funds £	2014 Total funds £
<b>Incoming resources</b>							
Incoming resources from generated funds:							
. Voluntary income	2	13,895	—	—	—	13,895	28,323
. Activities for generating funds	3	645,685	—	—	—	645,685	291,556
. Investment income	4	3,480	—	—	—	3,480	4,766
Incoming resources from charitable activities:							
. Funding for the Academy's educational operations	5	—	5,305,076	97,805	119,949	5,522,830	5,485,750
<b>Total incoming resources</b>		<b>663,060</b>	<b>5,305,076</b>	<b>97,805</b>	<b>119,949</b>	<b>6,185,890</b>	<b>5,810,395</b>
<b>Resources expended</b>							
Charitable activities							
. Academy's educational operations	7	456,609	5,458,085	100,779	456,105	6,471,578	5,946,778
Governance costs	8	—	20,804	—	—	20,804	25,174
<b>Total resources expended</b>	6	<b>456,609</b>	<b>5,478,889</b>	<b>100,779</b>	<b>456,105</b>	<b>6,492,382</b>	<b>5,971,952</b>
<b>Net (outgoing) incoming resources before transfers</b>		<b>206,451</b>	<b>(173,813)</b>	<b>(2,974)</b>	<b>(336,156)</b>	<b>(306,492)</b>	<b>(161,557)</b>
Transfers between funds		(166,445)	115,813	—	50,632	—	—
<b>Net (expenditure) income for the year</b>		<b>40,006</b>	<b>(58,000)</b>	<b>(2,974)</b>	<b>(285,524)</b>	<b>(306,492)</b>	<b>(161,557)</b>
<b>Other recognised gains and losses</b>							
Actuarial losses on defined benefit pension scheme	24	—	(61,000)	—	—	(61,000)	(252,000)
<b>Net movement in funds</b>		<b>40,006</b>	<b>(119,000)</b>	<b>(2,974)</b>	<b>(285,524)</b>	<b>(367,492)</b>	<b>(413,557)</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September 2014		424,795	(866,000)	2,974	7,768,875	7,330,644	7,744,201
<b>Fund balances carried forward at 31 August 2015</b>		<b>464,801</b>	<b>(985,000)</b>	<b>—</b>	<b>7,483,351</b>	<b>6,963,152</b>	<b>7,330,644</b>

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

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

# **Balance sheet** 31 August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Tangible fixed assets	12		7,407,264		7,768,875
<b>Current assets</b>					
Debtors	13	154,341		86,720	
Cash at bank and in hand		713,183		663,109	
		<u>867,524</u>		<u>749,829</u>	
<b>Creditors:</b> amounts falling due within one year	14	(326,636)		(322,060)	
<b>Net current assets</b>			<u>540,888</u>		<u>427,769</u>
<b>Total assets less current liabilities</b>			<u>7,948,152</u>		<u>8,196,644</u>
<b>Net assets excluding pension scheme liability</b>					
Pension scheme liability	24		(985,000)		(866,000)
<b>Net assets including pension scheme liability</b>			<u>6,963,152</u>		<u>7,330,644</u>
<b>Funds of the Academy</b>					
Restricted funds					
. Fixed assets fund	15		7,483,351		7,768,875
. EFA fund	15		—		—
. Pension reserve	15		(985,000)		(866,000)
. Other restricted funds	15		—		2,974
			<u>6,498,351</u>		<u>6,905,849</u>
Unrestricted funds					
. General fund	15		364,801		424,795
. Designated funds	15		100,000		—
			<u>464,801</u>		<u>424,795</u>
<b>Total funds</b>			<u>6,963,152</u>		<u>7,330,644</u>

The financial statements on pages 24 to 43 were approved by the Directors, and authorised for issue on 8 December 2015 and are signed on their behalf by:



Mr John Luff  
Chair of Directors  
Emerson Park Academy  
Company Limited by Guarantee  
Registration Number: 07726858 (England and Wales)

**Cash flow statement** Year ended 31 August 2015

	Notes	2015 £	2014 £
<b>Net cash inflow from operating activities</b>	19	<b>21,139</b>	218,415
Returns on investment and servicing of finance	20	<b>3,480</b>	4,766
Capital expenditure	21	<b>25,455</b>	(121,022)
<b>Increase in cash in the year</b>		<b>50,074</b>	102,159
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Net funds at 1 September 2014		<b>663,109</b>	560,950
<b>Net funds at 31 August 2015</b>	22	<b>713,183</b>	663,109

### **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 2013 to 2014 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 Directors 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 Directors 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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

### ***Donations***

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

### ***Other income***

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

**Incoming Resources** (continued)

***Gifts in kind***

The value of gifts in kind provided to the Academy are recognised at a valuation attributed by the Directors in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured.

**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.

***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 Director's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**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.

**Tangible Fixed Assets** (continued)

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 economic life, as follows:

Leasehold buildings	4% per annum
Leasehold additions	4% per annum
Furniture and equipment	33% per annum
Computer equipment	33% per annum
Motor vehicles	20% per annum

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.

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

**Leased Assets**

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

**Taxation**

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

**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 and the assets are held separately from those of the Academy Trust.

**Pensions Benefits** (continued)

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

**Fund Accounting**

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

Designed funds comprise those resources which may be used towards meeting the charitable objectives of the Academy, but which have been set aside out of the general funds and designated for specific purposes by the directors.

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

Restricted EFA funds comprise all other grants received from the Education Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, the London Borough of Havering.

**1 General Annual Grant (GAG)**

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

The academy trust has not exceeded these limits during the year ended 31 August 2015.

**2 Voluntary income**

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Donations	13,895	—	13,895	28,323

**3 Activities for generating funds**

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Hire of facilities	86,654	—	86,654	63,517
Shop income	15,185	—	15,185	10,408
School trip income	115,261	—	115,261	123,614
Graduate training income	5,891	—	5,891	16,257
Music tuition fees	1,536	—	1,536	8,575
Catering income	259,394	—	259,394	—
Other income	161,764	—	161,764	69,185
	645,685	—	645,685	291,556

**4 Investment income**

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Interest receivable	3,480	—	3,480	4,766

## 5 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
<b>DfE / EFA capital grant</b>				
. Devolved formula Capital grant	—	40,298	<b>40,298</b>	40,035
. Condition Improvement Fund grant	—	79,651	<b>79,651</b>	—
	—	119,949	<b>119,949</b>	40,035
<b>DfE / EFA revenue grant</b>				
. General Annual Grant (GAG) (note 1)	—	5,099,471	<b>5,099,471</b>	5,135,588
. Other DfE / EFA grants	—	205,605	<b>205,605</b>	184,998
	—	5,305,076	<b>5,305,076</b>	5,320,586
<b>Other government grants</b>				
. London Borough of Havering	—	97,805	<b>97,805</b>	98,359
. Other grants	—	—	—	26,770
	—	97,805	<b>97,805</b>	125,129
	—	5,522,830	<b>5,522,830</b>	5,485,750

## 6 Resources expended

	Staff costs £	Non pay expenditure		2015 Total funds £	2014 Total funds £
		Premises £	Other costs £		
<b>Academy's educational operations</b>					
. Direct costs	4,089,428	344,417	586,089	<b>5,019,934</b>	4,815,549
. Allocated support costs	558,213	429,629	463,802	<b>1,451,644</b>	1,131,229
	4,647,641	774,046	1,049,891	<b>6,471,578</b>	5,946,778
<b>Governance costs including allocated support costs</b>	—	—	20,804	<b>20,804</b>	25,174
	4,647,641	774,046	1,070,695	<b>6,492,382</b>	5,971,952
<b>Net incoming resources for the period include:</b>				<b>2015 £</b>	<b>2014 £</b>
Fees payable to auditor					
. Statutory audit				<b>8,000</b>	9,300
. Other audit services				<b>1,775</b>	2,550
. Other services				<b>4,525</b>	3,850

## Notes to the Financial Statements Year ended 31 August 2015

### 7 Charitable activities - Academy's educational operations

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
<b>Direct costs</b>				
Teaching and educational support staff costs	—	4,089,428	<b>4,089,428</b>	3,878,295
Educational supplies	—	286,114	<b>286,114</b>	314,781
Examination fees	—	83,767	<b>83,767</b>	68,847
Staff development	—	18,986	<b>18,986</b>	27,287
Behavioural support	—	38,910	<b>38,910</b>	37,410
Trips and activities	158,313	—	<b>158,313</b>	146,279
Depreciation	—	344,416	<b>344,416</b>	342,650
	<u>158,313</u>	<u>4,861,621</u>	<u><b>5,019,934</b></u>	<u>4,815,549</u>
<b>Allocated support costs</b>				
Support staff costs	—	558,213	<b>558,213</b>	526,003
Recruitment and support	—	6,589	<b>6,589</b>	5,712
Catering	297,952	—	<b>297,952</b>	41,976
Administration costs	344	119,045	<b>119,389</b>	134,191
Insurance	—	26,490	<b>26,490</b>	43,099
Transport	—	4,382	<b>4,382</b>	2,544
Rent and rates	—	22,999	<b>22,999</b>	27,526
Cleaning	—	82,458	<b>82,458</b>	83,253
Maintenance of premises and equipment	—	115,218	<b>115,218</b>	82,809
Improvements and alterations	—	6,215	<b>6,215</b>	—
Utilities	—	91,050	<b>91,050</b>	82,625
Depreciation	—	111,689	<b>111,689</b>	90,491
Interest payable (FRS17 charge)	—	9,000	<b>9,000</b>	11,000
	<u>298,296</u>	<u>1,153,348</u>	<u><b>1,451,644</b></u>	<u>1,131,229</u>
	<u>456,609</u>	<u>6,014,969</u>	<u><b>6,471,578</b></u>	<u>5,946,778</u>

## 8 Governance costs

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Legal and professional fees	—	6,504	6,504	9,474
Auditor's remuneration:				
. Audit of financial statements				
.. Current year	—	8,000	8,000	9,300
. Other audit services				
.. Current year	—	1,775	1,775	1,825
.. Prior year	—	—	—	725
. Other services				
.. Current year	—	2,800	2,800	3,850
.. Prior year	—	1,725	1,725	—
	—	20,804	20,804	25,174

## 9 Staff

### (a) Staff costs

Staff costs during the year were:

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Wages and salaries	—	3,521,367	3,521,367	3,393,610
Social security costs	—	277,846	277,846	275,480
Pension costs (including FRS17 adjustment of £49,000 (2014 - £28,000))	—	611,603	611,603	514,864
	—	4,410,816	4,410,816	4,183,954
Supply teacher costs	—	236,825	236,825	220,344
	—	4,647,641	4,647,641	4,404,298

### (b) Staff numbers

The average numbers of persons employed by the Academy during the year expressed as a full time equivalents was as follows:

Charitable activities	2015 No	2014 No
Teachers	54	53
Administration and support	42	41
Management	7	7
	103	101

## 9 Staff (continued)

### (c) Higher paid staff

The number of employees whose emoluments, excluding employer's pension contributions, fell within the following bands was:

	2015 No	2014 No
£60,001 - £70,000	4	2
£80,001 - £90,000	—	1
£90,001 - £100,000	1	—

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff amounted to £47,553 (2014 - £30,768).

## 10 Related party transactions – Directors' remuneration and expenses

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

	2015 £	2014 £
Kevin Walsh, Headmaster and trustee		
. Remuneration	90,001 – 95,000	85,001 – 90,000
. Employer's pension contributions	10,001 – 15,000	10,001 – 15,000
Della Jones, Staff Director and trustee		
. Remuneration	15,001 – 20,000	20,001 – 25,000
. Employer's pension contributions	1 – 5,000	5,001 – 10,000
Robert Owen, Staff Director and trustee		
. Remuneration	55,001 – 60,000	35,000 – 40,000
. Employer's pension contributions	5,001 – 10,000	5,001 – 10,000

Other related party transactions involving the Directors are set out in note 25.

## 11 Directors' and Officers' insurance

The Academy has opted into the Department of Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects the Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme.

## 12 Tangible fixed assets

	Leasehold property £	Leasehold improve- ments £	Motor vehicles £	Furniture, fittings & equipment £	Computer equipment £	Total funds £
<b>Cost/valuation</b>						
At 1 September 2014	7,750,000	656,949	23,025	213,381	128,965	<b>8,772,320</b>
Additions	—	34,644	3,250	39,696	16,904	<b>94,494</b>
At 31 August 2015	<u>7,750,000</u>	<u>691,593</u>	<u>26,275</u>	<u>253,077</u>	<u>145,869</u>	<b>8,866,814</b>
<b>Depreciation</b>						
At 1 September 2014	775,000	37,577	9,210	115,045	66,613	<b>1,003,445</b>
Charge in year	310,000	27,203	5,255	78,425	35,222	<b>456,105</b>
At 31 August 2015	<u>1,085,000</u>	<u>64,780</u>	<u>14,465</u>	<u>193,470</u>	<u>101,835</u>	<b>1,459,550</b>
<b>Net book value</b>						
At 31 August 2015	6,665,000	626,813	11,810	59,607	44,034	<b>7,407,264</b>
At 1 September 2014	<u>6,975,000</u>	<u>619,372</u>	<u>13,815</u>	<u>98,336</u>	<u>62,352</u>	<b>7,768,875</b>

The land on which the Academy is sited is leased from The London Borough of Havering at a peppercorn rent over the term of 125 years from 1 September 2011. A valuation took place on 18 November 2011 by Hilbery Chaplin Chartered Surveyors using the depreciated replacement cost method. The building has been included in the financial statements at this value. The land that the Academy is built on is designated for educational purposes only and therefore has no open market value. It has therefore not been included in the financial statements.

## 13 Debtors

	2015 £	2014 £
Other debtors	<b>45,135</b>	3,394
Prepayments	<b>98,455</b>	72,475
VAT debtor	<b>10,751</b>	10,851
	<b>154,341</b>	86,720

## 14 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	—	9,043
Taxation and social security	<b>157,960</b>	154,584
Accruals and deferred income	<b>168,676</b>	158,433
	<b>326,636</b>	322,060
<b>Deferred income</b>		
Deferred income at 1 September 2014	<b>81,262</b>	60,630
Resources deferred in the year	<b>80,918</b>	81,262
Amounts released from previous periods	<b>(81,262)</b>	(60,630)
Deferred income at 31 August 2015	<b>80,918</b>	81,262

Deferred income of £13,883 relates to grants received in the year that are for the year ending 31 August 2016.

## Notes to the Financial Statements Year ended 31 August 2015

### 15 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
<b>EFA revenue grant fund</b>					
. General Annual Grant (GAG)	—	5,099,471	(5,215,284)	115,813	—
. Other EFA grants	—	205,605	(205,605)	—	—
	—	5,305,076	5,420,889	115,813	—
. Pension reserve	(866,000)	—	(58,000)	(61,000)	(985,000)
	(866,000)	5,305,076	(5,478,889)	54,813	(985,000)
<b>Fixed assets fund</b>					
. EFA capital grants	279,550	119,949	(16,729)	—	382,770
. Capital expenditure from GAG	514,325	—	(129,376)	50,632	435,581
. Academy building and furniture and equipment transferred from Local Authority	6,975,000	—	(310,000)	—	6,665,000
	7,768,875	119,949	(456,105)	50,632	7,483,351
<b>Other funds</b>					
. London Borough of Havering	—	97,805	(97,805)	—	—
. Other grants	2,974	—	(2,974)	—	—
	2,974	97,805	(100,779)	—	—
<b>Total restricted funds</b>	6,905,849	5,522,830	(6,035,773)	105,445	6,498,351
<b>Unrestricted funds</b>					
. General funds	424,795	663,060	(456,609)	(266,445)	364,801
. Designated funds	—	—	—	100,000	100,000
	424,795	663,060	(456,609)	(166,445)	464,801
<b>Total funds</b>	7,330,644	6,185,890	(6,492,382)	(61,000)	6,963,152

#### *General Annual Grant (GAG)*

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 1 discloses whether the limit was exceeded.

#### *Designated funds*

The designated funds represent resources set aside by the directors for the replacement of the surface of the 3G sports pitch.

## 16 Analysis of net assets between funds

	Unrestricted general funds £	Designated funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2015 £	Total 2014 £
<b>Fund balances at 31 August 2015 are represented by:</b>						
Tangible fixed assets	—	—	—	7,407,264	<b>7,407,264</b>	7,768,875
Current assets	364,801	100,000	326,636	76,087	<b>867,524</b>	749,829
Creditors: amounts falling due within one year	—	—	(326,636)	—	<b>(326,636)</b>	(322,060)
Pension scheme liability	—	—	(985,000)	—	<b>(985,000)</b>	(866,000)
<b>Total net assets</b>	<b>364,801</b>	<b>100,000</b>	<b>(985,000)</b>	<b>7,483,351</b>	<b>6,963,152</b>	<b>7,330,644</b>

## 17 Capital commitments

	2015 £	2014 £
Contracted for but not provided in the financial statements	<b>76,087</b>	—

## 18 Financial commitments

### Operating leases

At 31 August 2015, the Academy had annual commitments for assets other than land and buildings under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiring within two and five years	<b>3,777</b>	3,777

## 19 Reconciliation of net expenditure to net cash inflow from operating activities

	2015 £	2014 £
Net expenditure	<b>(306,492)</b>	(161,557)
Depreciation (note 12)	<b>456,105</b>	433,141
Capital grants from DfE and other capital income	<b>(119,949)</b>	(40,035)
Interest receivable (note 4)	<b>(3,480)</b>	(4,766)
FRS 17 pension cost less contributions payable (note 24)	<b>49,000</b>	28,000
FRS 17 pension finance cost (note 24)	<b>9,000</b>	11,000
Decrease in stock	—	10,888
(Increase) decrease in debtors	<b>(67,621)</b>	363
Increase (decrease) in creditors	<b>4,576</b>	(58,619)
<b>Net cash inflow from operating activities</b>	<b>21,139</b>	<b>218,415</b>

**20 Returns on investment and servicing of finance**

	2015 £	2014 £
Interest received	3,480	4,766
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>3,480</b>	<b>4,766</b>

**21 Capital expenditure**

	2015 £	2014 £
Purchase of tangible fixed assets	(94,494)	(161,057)
Capital grants from DfE / EFA	119,949	40,035
<b>Net cash inflow (outflow) from capital expenditure</b>	<b>25,455</b>	<b>(121,022)</b>

**22 Analysis of changes in net funds**

	At 1 September 2014 £	Cashflows £	At 31 August 2015 £
Cash in hand and at bank	663,109	50,074	<b>713,183</b>

**23 Members' liability**

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

**24 Pension and similar obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

## 24 Pension and similar obligations (continued)

### *Teachers' Pension Scheme (TPS)*

#### *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.

## 24 Pension and similar obligations (continued)

### *Teachers' Pension Scheme (TPS) (continued)*

#### *Valuation of the Teachers' Pension Scheme (continued)*

The pension costs paid to TPS in the period amounted to £344,000 (2014: £325,000).

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

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

### *Local Government Pension Scheme (LGPS)*

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £275,000 (2014 - £215,000), of which employer's contributions totalled £219,000 (2014 - £166,000) and employees' contributions totalled £56,000 (2014 - £49,000).

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.

	At 31 August 2015	At 31 August 2014
<b>Principal Actuarial Assumptions</b>		
Rate of increase in salaries	3.5%	3.4%
Rate of increase for pensions in payment / inflation	2.6%	2.6%
Discount rate for scheme liabilities	3.7%	3.7%
Inflation assumption (CPI)	2.6%	2.6%
Commutation of pensions to lump sums	50%	50%

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	At 31 August 2014
<i>Retiring today</i>		
Males	22.1 years	22.1 years
Females	24.1 years	24.1 years
<i>Retiring in 20 years</i>		
Males	24.2 years	24.2 years
Females	26.7 years	26.7 years

## 24 Pension and similar obligations (continued)

### Local Government Pension Scheme (LGPS) (continued)

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

	Fair value at 31 August 2015 £	Expected return at 31 August 2014*	Fair value at 31 August 2014 £
Equities	976,000	6.5%	798,000
Bonds	396,000	3.3%	306,000
Property	76,000	4.5%	61,000
Cash	76,000	3.3%	61,000
Total market value of assets	1,524,000		1,226,000
Present value of scheme liabilities	(2,509,000)		(2,092,000)
Deficit in the scheme	(985,000)		(866,000)

\* No long-term expected rate of return at 31 August 2015 has been provided, as for accounting periods beginning on or after 1 January 2015, the expected return and interest cost will be replaced with a single net interest cost. This will effectively set the expected return at a level equal to the discount rate of 3.7%.

Amounts recognised in statement of financial activities	2015 £	2014 £
Current service costs (net of employee contributions)	268,000	190,000
<b>Total operating charge</b>	<b>268,000</b>	<b>190,000</b>

### Analysis of pension finance costs

Expected return on pension scheme assets	(74,000)	(80,000)
Interest on pension liabilities	83,000	69,000
<b>Pension finance costs</b>	<b>9,000</b>	<b>11,000</b>

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 loss of £432,000 (2014 – loss of £371,000).

Movements in the overall deficit were as follows:	2015 £	2014 £
At 1 September 2014	(866,000)	(575,000)
Current service cost	(268,000)	(190,000)
Employer contributions	219,000	166,000
Losses on curtailments	—	(4,000)
Net finance cost	(9,000)	(11,000)
Actuarial loss	(61,000)	(252,000)
<b>At 31 August 2015</b>	<b>(985,000)</b>	<b>(866,000)</b>

## 24 Pension and similar obligations (continued)

### *Local Government Pension Scheme (continued)*

Reconciliation of defined benefit obligation	2015 £	2014 £
At 1 September 2014	2,092,000	1,634,000
Current service cost	268,000	190,000
Contributions by members	56,000	49,000
Net finance interest	83,000	80,000
Actuarial losses	22,000	145,000
Benefits paid	(12,000)	(10,000)
Losses on contributions	—	4,000
<b>At 31 August 2015</b>	<b>2,509,000</b>	<b>2,092,000</b>

Reconciliation of fair value of the academy's share of scheme assets were as follows:	2015 £	2014 £
At 1 September 2014	1,226,000	1,059,000
Expected return on assets	74,000	69,000
Contributions by members	56,000	49,000
Contributions by employers	219,000	166,000
Actuarial losses	(39,000)	(107,000)
Benefits paid	(12,000)	(10,000)
<b>At 31 August 2015</b>	<b>1,524,000</b>	<b>1,226,000</b>

The estimated value of the employer contributions for the year ending 31 August 2016 is £222,000 (2015 – £189,000).

The experience adjustments are as follows:

	2015 £	2014 £	2013 £	2012 £
<b>Present value of defined benefit obligations</b>	<b>(2,509,000)</b>	<b>(2,092,000)</b>	<b>(1,634,000)</b>	<b>(1,342,000)</b>
<b>Fair value of share scheme assets</b>	<b>1,524,000</b>	<b>1,226,000</b>	<b>1,059,000</b>	<b>745,000</b>
<b>Deficit on the scheme</b>	<b>(985,000)</b>	<b>(866,000)</b>	<b>(575,000)</b>	<b>597,000</b>
<b>Experience adjustments on share of scheme assets</b>				
Amount	(39,000)	(107,000)	88,000	21,000
<b>Experience adjustments on scheme liabilities</b>				
Amount	2,000	(1,000)	—	—

## 25 Related party transactions

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