

**THE THOMAS DEACON ACADEMY**

**(A Company Limited by Guarantee and Having Charitable Status)**

**Report and Financial Statements**

**For the Year Ended**

**31 AUGUST 2015**

***Company Limited by Guarantee  
Registration Number:  
05090788 (England and Wales)***

# THE THOMAS DEACON ACADEMY

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## THE THOMAS DEACON ACADEMY

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISORS

Directors (Trustees)	Dr Richard Barnes (Chairman) Mr M Delap (Co-opted) (resigned 8 July 2015) Mr J A Peach (Local Authority) Mr C J Woolhouse* (The Deacon's School Trust) Mrs DL Augustine (Parent) Mrs AJ Wilson (Caterpillar Inc) Mr P Clegg* (Caterpillar Inc.) (Responsible Officer) Mrs SJ Samwell (Deacons School Trust) (resigned 31 March 2015) Mr RJ Wade (Parent) Mrs J Taylor (CEO & Principal) Mr I Clarkson (Co-opted) Mrs K Bretten (Co-opted) Mr J Lewis (Co-opted) (resigned 22 October 2015) Miss LS Faulkner (Parent) (appointed 19 December 2014) Rev I C Black (Deacons School Trust) (appointed 20 August 2015) Mr MJ Gross (appointed 6 November 2014)
*members of the Resources & Facilities committee	
Secretary	Mr D J F Brooks
Directorate	
CEO/Principal	Mrs J Taylor
Vice Principal - Business	Mr D J F Brooks
Vice Principal - Education	Mr G Walls
HR Director	Mrs S Simmons (resigned 31 December 2014)
Registered Office	Queen's Gardens Peterborough, Cambs. PE1 2UW 01733 426060
Company Registration Number	05090788 (England and Wales)
Auditors	Peters, Elworthy & Moore Chartered Accountants and Statutory Auditors Salisbury House Station Road, Cambridge CB1 2LA
Bankers	Lloyds Bank 65 High Street Stamford PE9 2AT
Solicitors	Greenwoods Solicitors Monkstone House City Road Peterborough PE1 1JE

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE BOARD OF DIRECTORS 31 August 2015**

The Board of Directors present their report together with the financial statements of the charitable company for the year ended 31 August 2015.

The financial statements have been prepared in accordance with the accounting policies on pages 20 to 22 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 issued by the EFA.

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

#### **Constitution**

The Academy is a company limited by guarantee with no share capital (registration no. 05090788). The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. Members of the charitable company are nominated by either the Secretary of State for Education and Skills or by Caterpillar Inc. or the Deacon's School Trust, the main sponsors of the Academy. The Articles of Association require the members of the charitable company to appoint at least four Directors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

#### **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.

#### **Directors' Indemnities**

As disclosed in note 11 professional indemnity insurance is paid on behalf of the directors and officers of the Academy.

#### **Board of Directors**

The Board of Directors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Directors are not subject to retirement by rotation. They are appointed for fixed periods and are eligible for re-election at the meeting at which they retire.

The Directors, who were in office at 31 August 2015, and served throughout the year, except where shown, are listed on page 1.

During the year under review the Board of Directors held 5 regular meetings.

#### **New Directors**

Under the terms of the Academy's funding agreement and articles Directors are appointed as follows;

- The two principal sponsors each appoint two directors
- The LA appoints a Director
- At least two parent Directors are appointed following a vote by the parents of registered students at the Academy
- The Board retains the right to appoint other Directors as it deems fit dependent on need. Any new co-opted member of the Board of Directors must be confirmed at a full meeting of the board.

All Directors receive continual training to ensure their understanding of the issues involved.

Induction training for new members of the Board of Directors is provided on charity, educational, legal and financial matters.

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE BOARD OF DIRECTORS 31 August 2015**

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

##### **Organisational Structure**

The structure of the Academy consists of three senior levels: the Board of Directors including the CEO/Principal, the Directorate and the Senior Leadership Team. An aim of the management structure is to distribute responsibility and encourage involvement in decision making at all levels.

The Board of Directors is responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Directorate are the CEO/Principal and those other senior managers shown on page 1. These managers control the Academy at an executive level, implementing the policies laid down by the Board of Directors and reporting back to them. As a group, the Directorate are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Leadership Team usually contain a Director. Some spending control is devolved to members of the Senior Leadership Team, with limits above which a member of the Directorate must countersign.

The Senior Leadership Team consists of the CEO, the Vice Principal, the six College leaders, the four Curriculum Area Managers and the heads of Specialism, Community, and I-Connect. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

##### **Subsidiary company**

The Academy owns 100% of the issued ordinary shares of TDA Developments Ltd., a company incorporated in England (registration no. 06435213). In the year to 31 August 2015 the subsidiary achieved a profit of £9,778 all of which was gifted under covenant to the Academy. Further details regarding the subsidiary company are given in note 13 to the financial statements.

##### **Connected organisations**

Caterpillar Inc. and the Deacon's School Trust are sponsors to The Thomas Deacon Academy and since the Academy's founding have donated £2 million to assist the Academy in achieving its objectives.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects, aims and objectives**

The principal object and activity of the charitable company is the operation of The Thomas Deacon Academy to provide education for pupils of different abilities between the ages of 7 and 19 with an emphasis on STEM – Science, Technology, Engineering and Maths.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and technology and their practical applications.

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE BOARD OF DIRECTORS 31 August 2015**

#### **OBJECTIVES AND ACTIVITIES (continued)**

The main objectives of the Academy during the year ended 31 August 2015 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all students;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

#### **Strategies and activities**

The Academy's main strategy is encompassed in its mission statement which is to raise aspirations, lead innovation, inspire excellence and broaden horizons. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- staff & student placements with industrial and commercial partners;
- a programme of sporting and after school enrichment activities for all students;
- a system of after school clubs to allow students to explore STEM in a practical and project oriented way;
- a careers advisory service to help students obtain employment or move on to higher education.

#### **Public Benefit**

In setting objectives and planning activities, the Board of Directors have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2011.

#### **Equal opportunities policy**

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

#### **Disabled persons**

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

### **STRATEGIC REPORT**

#### **ACHIEVEMENTS AND PERFORMANCE**

This reporting period represents the Academy's seventh year of operation and it continues to set strategic goals related to achievement, progress, engagement, destinations and its provision. These goals are monitored closely by the Board of Directors. Just over 763 Y6 students applied for the 332 places in Y7 for September 2014. All the children sat the fair banding test in line with the funding agreement. Total main school students in the year ended 31<sup>st</sup> August 2015 numbered 1,552 and the Academy had full complements in all year groups except year 10 & 11. In August 2015 the 6<sup>th</sup> form held 351 students.

In September 2014, the Academy opened its Junior section: a three form entry primary provision for children aged 7-11 years. 90 Year 3 students were admitted into a brand new £6.4 million purpose built facility with 155 applications for places. The Junior Section will grow year on year until 2017 when all year groups will be in place.

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE BOARD OF DIRECTORS 31 August 2015**

#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

Examination results for 2015 showed further improvement. At A level there was a 99% pass rate and 37% of the grades were A\* - B. At AS level there was an 8% increase in A-B grades (35%) and a 4% increase in A – E grades (91%). At GCSE, our reported data showed an 11% increase on the previous year in the gold standard (5 A\*-C including English and Maths). In English, 68% of TDA students made expected progress with 30% making better than expected progress and in maths, 60% of TDA students made expected progress with 26% making better than expected progress.

Throughout the year, TDA engaged a range of external consultants to provide the Board of Directors with objective verification of the standards of performance in the Academy.

#### **Inspection**

The Academy was subject to an OFSTED inspection in July 2015. The overall judgement was '2-Good' and this was in line with Senior Leaders' own assessment of the Academy's effectiveness. The report highlighted effective leadership as a success and noted that the Academy is well placed to improve further. Ofsted reported that leaders and managers, including the Board of Directors (Governors) have improved teaching and students' achievement in the last two years.

The report said that the Board of Directors know the Academy well and provide real challenge to Academy leaders to secure further significant improvements. They commented on the good relationships between teachers and students and on the high expectations for students' social and academic achievements. The report highlighted students' behaviour as good and noted their good attitude to learning which has resulted in them making quicker progress in the past. Most notably, students make good progress in GCSE English, mathematics, science, art and design technology and modern foreign languages. In the 6<sup>th</sup> Form students achieve well in work related courses and in the Junior School at the end of Y3, standards are above expectations in reading and mathematics.

#### **Re-organisation**

During the year the Academy reorganised its staffing after considering the lack of student attainment in prior years, inherent issues around the existing staffing structure and the affordability of the staffing structure going forward to future years. Historically, as a result of the 3 previous schools merging together to form TDA, the academy inherited a staffing structure. This structure no longer best serves the pupils, both practically and financially. Due to the unprecedented size of TDA the current staffing structure did not allow for clear lines of accountability, an issue which has been highlighted by both Ofsted and an external report.

It was agreed that a clearer, better defined staffing structure would enable TDA, through clear lines of management and accountability, to improve the quality of teaching and learning which will positively affect the progress and learning outcomes for our pupils and students. The new staffing structure would also allow for a clearer progression path based on performance management for all staff.

The Academy considered the best solution during the year and consulted with unions and staff in January 2015. During the course of this consultation a number of changes were considered and made by the directors to the proposed structure.

This structure resulted in a number of redundancies, the majority of which were voluntary, which resulted in costs of £349,000 which are included in the current years financial statements.

The Directors believe that this reorganisation will lead to improving outcomes for our students, clear accountability for staff and financial stability in future years.

#### **Going Concern**

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

## THE THOMAS DEACON ACADEMY

### REPORT OF THE BOARD OF DIRECTORS 31 August 2015

#### ACHIEVEMENTS AND PERFORMANCE (continued)

##### **Financial report for the year**

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the EFA and its sponsors, Caterpillar Inc., and The Deacon's School Trust. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Academy held fund balances at 31 August 2015 of £34,462,000 comprising £39,207,000 of restricted funds, a surplus of £590,000 of unrestricted general funds and a pension reserve deficit of £3,315,000.

During the year ended 31 August 2015, total expenditure of £13,345,000 was fully covered by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £698,000 of which £177,000 was directly attributable to FRS 17 adjustments and £757,000 contribution by income funds to meet the shortfall in capital funding.

At 31 August 2015 the net book value of fixed assets was £38,157,000 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has obtained a full actuarial valuation of the pension liability under FRS17 in respect of its administrative staff pension scheme. During the year the Academy incurred an increase of its pension liability under FRS17 of £552,000 resulting in an overall deficit of £3,315,000.

##### **Principal Risks and Uncertainties**

The Board of Directors have a comprehensive risk management process to identify and monitor the risks faced by the Academy. The key areas identified are; Strategic and Reputational, Operational, Compliance, Financial, Curriculum and IT and Property related. A point scoring mechanism is in place with greater emphasis directed towards those identified higher risk areas. The Board believe that the major risks that the Academy is currently facing are funding issues with regards to the introduction of the national funding formula and uncertainty around the government's plans for changes to the curriculum model

##### **Risk management**

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

##### **Reserves policy and financial position**

###### ***Reserves policy***

The Directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to 2 weeks expenditure, approximately £680,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a

## THE THOMAS DEACON ACADEMY

### REPORT OF THE BOARD OF DIRECTORS 31 August 2015

#### ACHIEVEMENTS AND PERFORMANCE (continued)

cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is a surplus of £590,000 which is less than is needed. The Academy intends to continue building up free reserves to the level needed.

#### ***Funds in deficit***

The Academy's share of the LGPS valuation, as determined by the actuary, is a deficit of £3,315,000. The Academy continues to pay the recommended contribution to the scheme, as detailed in note 26. The scheme does not give rise to an immediate liability.

#### ***Investment Policy***

The Academy has an improved investment policy which covers the appropriate use of surplus funds. The Principal and Board have overall responsibility for the security and management of funds. The day-to-day management of the treasury function is controlled by the Vice Principal - Business.

The Vice Principal - Business will liaise with The Principal and the Business Resources Committee in relation to strategy, status and market conditions.

The Chair of Business Resources will liaise with the Board for approval of any changes to strategy and to provide an update on investments.

The Academy has a guiding principle for ethical investments.

The Academy will operate an interest bearing current account with a bank or building society approved by the Board and maintain a balance in that account of £800,000 that is sufficient to cover immediate and forthcoming financial commitments and sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in a number of accounts in the name of the Academy with the approved institutions authorised by the Board. These may be higher interest bearing accounts operated by the same bank that the Academy operates its current account with, or an alternative approved institution. The Director of Business Resources will ensure that funds are invested in fixed term blocks to ensure the maximum return whilst maintaining the necessary working capital. The Director of Business Resources is not permitted to make more than four (4) transfers per calendar month without the approval of the Resources and Facilities Committee.

#### PLANS FOR FUTURE PERIODS

Thomas Deacon Academy will continue to strive to ensure that all students make expected or better than expected progress irrespective of their starting point. It will continue its efforts to ensure all students go on to further and higher education, apprenticeships or employment.

The Academy aims to provide the opportunity for enhanced maths and science education for all its students and the wider community. It also deems its work in pursuit of community cohesion to be a core part of its activity. To achieve this it has drawn up a community development plan, based on an identification and analysis of need. It is extending its international work in order to truly prepare students to be global citizens.

**THE THOMAS DEACON ACADEMY**

**REPORT OF THE BOARD OF DIRECTORS 31 August 2015**

**AUDITORS**

The Board of Directors confirms that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The auditors, Peters, Elworthy & Moore are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The report of the Directors was approved by the Directors on 26 November 2015 and signed on their behalf by:

**Mr P. Clegg**  
**(Chair Business Resources Committee)**  
**Dated 26 November 2015**

**Mrs J. Taylor**  
**(CEO/Principal)**  
**Dated 26 November 2015**

## THE THOMAS DEACON ACADEMY

### GOVERNANCE STATEMENT 31 August 2015

#### Scope of Responsibility

As the Board of Directors, we acknowledge we have overall responsibility for ensuring that The Thomas Deacon 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. We are also responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time the financial position of the Academy and enable us to ensure that the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- The Academy is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- The proper records are maintained and financial information used within the Academy or for publication is reliable;
- The Academy complies with relevant laws and regulations.

The Board of Directors have delegated the day-to-day responsibility to the Principal, 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 Thomas Deacon Academy and the Secretary of State for Education. They are 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 Report of the Board of Directors and in the Directors' Responsibilities Statement. The Board of Directors has formally met five times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Richard Barnes	3	5
Julie Taylor	5	5
Miles Delap	0	5
John Peach	4	5
Chris Woolhouse	5	5
Donna Augustine	5	5
Jane Wilson	4	5
Paul Clegg	5	5
Sandra Samwell	1	5
Richard Wade	5	5
Ian Clarkson	4	5
Katrina Bretten	3	5
Jonathan Lewis	2	5
Mike Gross	5	5
Lauren Faulkner	3	3

The Business Resource Committee is a subcommittee of the main Board of Directors. Its purpose is to oversee finance, personnel, premises, health and safety and ICT strategy.

#### Evaluation

The Board of Directors carry out continual self evaluation and training. Training is carried out by both specialist staff within the Academy and external providers to ensure the Directors are fully briefed on all issues affecting the performance of their duties.

## THE THOMAS DEACON ACADEMY

### GOVERNANCE STATEMENT 31 August 2015

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Paul Clegg	4	5
Julie Taylor	5	5
Chris Woolhouse	5	5
David Brooks	5	5
Richard Barnes	4	5
Ian Clarkson	4	5
Katrina Bretten	4	5
Mike Gross	5	5

#### Review of Value for Money

As accounting officer the CEO has responsibility and accountability for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands the guide to academy value for money statements published by the Education Funding Agency and that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer has ensured that the academy trust's use of its resources has provided good value for money during the academic year.

**Improving educational results:** Examination results have continued to improve year on year

**Targeted improvement:** Staffing has been re-structured to ensure that staffing is deployed to support an improved curriculum. Full accountability and responsibility is built into this structure.

**Focus on individual pupils:** Outcomes have improved for students on Free School Meals, Pupil Premium and those with English as an additional language

**Collaboration:** The trust has engaged with other educational providers and experts to share delivery or good practice, and to drive up standards for the least cost. This includes working with a range of schools across the Peterborough Partnership of Secondary Schools; a mix of Local Authority maintained schools and academies, including academy chains. A small number of consultants were used to further support improvement in key areas of literacy and numeracy across the year groups.

**New initiatives:** Additional funding was made available by the trust to support rapid improvement in outcomes at GCSE level in English and Maths. This resulted directly in a 12% improvement in the overall standards.

**Quantifying improvements:** Evidence shown above demonstrates the effectiveness of the improvements made. Student attendance remains above national average.

**Better purchasing:** A register of all services and contracts been developed and all contracts are appraised or renegotiated in a timely manner to get the best mix of quality and effectiveness. Three year contracts have been entered to ensure reduced cost where it was felt that this would benefit the trust. Some services have been terminated with external providers as the expertise is now available in the academy.

The Academy benchmarks itself against other comparative organisations using information supplied by the Education Funding Agency.

**Options appraisal:** The Board of Directors and Directorate apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all pupils.

## THE THOMAS DEACON ACADEMY

### GOVERNANCE STATEMENT 31 August 2015

The trust has developed procedures for assessing need, and obtaining goods and services which provide “best value” in terms of suitability, efficiency, time, and cost. Measures in place include:

- competitive tendering procedures
- procedures for accepting “best value” quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment).

**Economies of scale:** The trust regularly takes opportunities to work collaboratively with others to reduce and share administration and procurement costs. The IT services staff and music department provide services to a number of local primaries and are looking to expand this to other schools. The School Sports Coordinator is based at the school and provides support to a number of primary schools through a service level agreement. When applicable, joint tenders have been carried out to ensure value for money across several schools.

**Better income generation:** Opportunities have been taken to explore and generate additional and reliable revenue streams. This includes the above mentioned use of current resources to provide services for primary schools. Additional income is generated by releasing the Principal and Vice Principal to undertake school improvement work. We are currently looking to bidding for grants related to specific curriculum projects.

#### **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 in The Thomas Deacon 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 have 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 are 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 ending 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 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 Business Resource 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 THOMAS DEACON ACADEMY**

### **GOVERNANCE STATEMENT 31 August 2015**

In addition, the Board of Directors has considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have:

- set policies on internal controls which cover the following:
  - the type of risks the Academy faces;
  - the level of risks which they regard as acceptable;
  - the likelihood of the risks materialising;
  - the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
  - the costs of operating particular controls relative to the benefits obtained;
- clarified the responsibility of the management team to implement the Directors' policies and to identify and evaluate risks for the Directors' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy;
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment; and
- included procedures for reporting failings immediately to appropriate levels of management and the Directors, together with details of corrective action being undertaken.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Board of Directors has appointed Mr P Clegg, a member of the Board of Directors, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The function of the range of checks is devolved to the external auditors. On a regular basis, the RO reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Director's financial responsibilities based on reports from the external auditors. There are no material control issues arising as a result of these reviews.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

#### **Review of Effectiveness**

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Directorate 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 Business Resource Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 26 November 2015 and signed on their behalf, by:

**Mr P. Clegg**  
**(Chair Business Resources Committee)**  
**Dated 26 November 2015**

**Mrs J Taylor**  
**(CEO/Principal)**  
**Dated 26 November 2015**

## **THE THOMAS DEACON ACADEMY**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE 31 August 2015**

As Accounting Officer of The Thomas Deacon Academy I have considered my responsibility to notify the Academy 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 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 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'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 the EFA.

**Mrs J Taylor**  
**Accounting Officer**

**26 November 2015**

## **THE THOMAS DEACON ACADEMY**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES 31 August 2015**

Company law requires the Board of Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year. In preparing financial statements giving a true and fair view, the Board of Directors is required to:

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

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

The Board of Directors are responsible for ensuring that in its conduct and operation the charitable company and the group 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 Board of Directors is responsible for the maintenance and integrity of the charitable group'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 26 November 2015 and signed on its behalf by:

**Mr P. Clegg**  
**(Chair Business Resources Committee)**

**Dated 26 November 2015**

**Mrs J Taylor**  
**(CEO/Principal)**

**Dated 26 November 2015**

## **THE THOMAS DEACON ACADEMY**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE THOMAS DEACON ACADEMY**

We have audited the financial statements of The Thomas Deacon Academy for the year ended 31 August 2015, which comprise the Consolidated Statement of Financial Activities, the Group and Parent Academy Balance Sheet, the Consolidated Cash Flow Statement, and the related notes. These financial statements have been prepared under accounting policies set out therein. 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 2014/15 issued by the Education Funding Agency.

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

#### **Respective responsibilities of Directors and auditors**

As explained more fully in the Responsibilities of the Board of Directors, the directors (who are also the directors of the academy 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 group's and the parent academy'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 Report of the Board of Directors 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 group's and the parent academy's affairs as at 31 August 2015, and of the group's 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 2014/15 issued by the Education Funding Agency.

**THE THOMAS DEACON ACADEMY**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE THOMAS DEACON ACADEMY**

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

In our opinion the information given in the Report of the Board of Directors, incorporating 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
- 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.

**Laragh Jeanroy (Senior Statutory Auditor)**  
**For and on behalf of**  
**Peters Elworthy & Moore**  
**Chartered Accountants and Statutory Auditor**  
**Salisbury House**  
**Station Road**  
**Cambridge**  
**CB1 2LA**

**Date:**

## **THE THOMAS DEACON ACADEMY**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE THOMAS DEACON ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 17 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the 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 the Board of Directors and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Board of Directors 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 Academy and the EFA, for our work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of the Thomas Deacon Academy's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of The Thomas Deacon Academy's funding agreement with the Secretary of State for Education dated 4 April 2006 and the Academies Financial Handbook extant 1 September 2014, for ensuring that expenditure disbursed and income received is applied to 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's income and expenditure.

**THE THOMAS DEACON ACADEMY**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
THE THOMAS DEACON ACADEMY AND THE EDUCATION FUNDING AGENCY**

**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 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Laragh Jeanroy (Senior Statutory Auditor)  
for and on behalf of

**Peters Elworthy & Moore**

Chartered Accountants  
Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA  
Date:

THE THOMAS DEACON ACADEMY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account) for the year ended 31 August 2015

	Note	General Funds £000s	Restricted General Funds £000s	Other Restricted Funds £000s	Pension Funds £000s	Restricted Fixed Asset Funds £000s	Total 2015 £000s	Total 2014 £000s
<b>Incoming resources</b>								
<i>Incoming resources from generated funds:</i>								
. Voluntary income	2	-	-	-	-	-	-	2,554
. Activities for generating funds	3	729	-	-	-	-	729	703
Investment Income	4	26	-	1	31	-	58	33
<i>Incoming resources from charitable activities:</i>								
. Funding for the Academy's educational operations	5	-	13,510	-	-	92	13,602	13,894
<b>Total incoming resources</b>		<u>755</u>	<u>13,510</u>	<u>1</u>	<u>31</u>	<u>92</u>	<u>14,389</u>	<u>17,184</u>
<b>Resources expended</b>								
<i>Cost of generating funds:</i>								
. Costs of goods sold and other costs		685	-	-	-	-	685	695
. Investment management costs		-	-	-	-	-	-	22
<i>Charitable activities:</i>								
. Academy's educational operations	7	-	13,281	-	208	3,441	16,930	15,141
<i>Governance costs</i>	8	-	64	-	-	-	64	33
<b>Total resources expended</b>	6	<u>685</u>	<u>13,345</u>	<u>-</u>	<u>208</u>	<u>3,441</u>	<u>17,679</u>	<u>15,891</u>
<b>Net incoming (outgoing) resources before transfers</b>								
Gross transfers between funds	17	70	165	1	(177)	(3349)	(3290)	1,293
		<u>1</u>	<u>(752)</u>	<u>(6)</u>	<u>-</u>	<u>757</u>	<u>-</u>	<u>-</u>
<b>Net incoming (outgoing) resources before other recognised gains and losses</b>								
<b>Other recognised gains and losses</b>		71	(587)	(5)	(177)	(2,592)	(3,290)	1,293
Actuarial (losses) gains on defined benefit pension schemes	26	-	-	-	(375)	-	(375)	(684)
<b>Net movement in funds</b>		<u>71</u>	<u>(587)</u>	<u>(5)</u>	<u>(552)</u>	<u>(2,592)</u>	<u>(3,665)</u>	<u>609</u>
Total funds brought forward at 1 September 2014		519	1,558	84	(2,763)	40,749	40,147	39,538
<b>Funds carried forward at 31 August 2015</b>		<u>590</u>	<u>971</u>	<u>79</u>	<u>(3,315)</u>	<u>38,157</u>	<u>36,482</u>	<u>40,147</u>

The above results are derived from continuing operations of the group.

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

**THE THOMAS DEACON ACADEMY**

**BALANCE SHEET at 31 August 2015  
(registered company number 05090788)**

	Note	Group 2015 £000s	Charity 2015 £000s	Group 2014 £000s	Charity 2014 £000s
<b>Fixed assets</b>					
Tangible assets	12	38,157	38,157	40,749	40,749
Investments	13	-	1	-	1
		<u>38,157</u>	<u>38,158</u>	<u>40,749</u>	<u>40,750</u>
<b>Current assets</b>					
Stock	14	65	65	67	67
Debtors	15	329	315	283	275
Cash at bank and in hand		2,397	2,379	2,982	2,920
		<u>2,791</u>	<u>2,759</u>	<u>3,332</u>	<u>3,262</u>
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	16	(1,151)	(1,120)	(1,171)	(1,102)
<b>Net current assets</b>		<u>1,640</u>	<u>1,639</u>	<u>2,161</u>	<u>2,160</u>
<b>Total assets less current liabilities</b>		<u>39,797</u>	<u>39,797</u>	<u>42,910</u>	<u>42,910</u>
<b>Net assets excluding pension liability</b>					
Pension scheme liability	26	(3,315)	(3,315)	(2,763)	(2,763)
<b>Net assets including pension liability</b>		<u>36,482</u>	<u>36,482</u>	<u>40,147</u>	<u>40,147</u>
<b>Funds</b>					
<b>Restricted funds</b>					
. Restricted fixed asset fund	17	38,157	38,157	40,749	40,749
. Restricted general fund	17	971	971	1,558	1,558
. Other restricted fund	17	79	79	84	84
. Pension reserve	26	(3,315)	(3,315)	(2,763)	(2,763)
		<u>35,892</u>	<u>35,892</u>	<u>39,628</u>	<u>39,628</u>
<b>Unrestricted funds</b>					
. General fund	17	590	590	519	519
		<u>36,482</u>	<u>36,482</u>	<u>40,147</u>	<u>40,147</u>

The financial statements were approved by the Directors on 26 November 2015 and signed on their behalf by:

\_\_\_\_\_  
Paul Clegg  
Chairman

\_\_\_\_\_  
Julie Taylor  
CEO/Principal

**THE THOMAS DEACON ACADEMY**

**CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 August 2015**

	Notes	<b>2015 £000s</b>	2014 £000s
<b>Net cash inflow from operating activities</b>	21	<b>114</b>	809
Returns on investments and servicing of finance	22	<b>58</b>	33
Capital expenditure	23	<b>(757)</b>	(180)
<b>Increase in cash in the year</b>	24	<b><u>(585)</u></b>	<u>662</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014		<b>2,982</b>	2,320
<b>Net funds at 31 August 2015</b>		<b><u>2,397</u></b>	<u>2,982</u>

## THE THOMAS DEACON ACADEMY

### PRINCIPAL ACCOUNTING POLICIES 31 August 2015

#### **Format of financial statements**

The standard format for the financial statements as required by the Companies Act 2006 schedule 4 part I has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP 2005') and the Academies Accounts Direction issued by the EFA and reflects the activities of the Academy.

The group financial statements include the results of the company TDA Developments Ltd. TDA Developments Ltd is a wholly owned subsidiary under the control of the directors. In accordance with section 408 of the Companies Act 2006 and paragraph 397 of the SORP, no income and expenditure account is presented for the company itself.

#### **Basis of accounting**

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards.

#### **Going concern**

The Board of 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 Academy to continue as a going concern. The Board of Directors make this assessment in respect of one year from the date of approval of the financial statements.

#### **Incoming resources**

##### ***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.

##### ***Sponsorship income***

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

##### ***Donations***

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

##### ***Interest receivable***

Interest receivable is included within the statement of financial activities on a receivable basis.

#### **Resources expended**

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

##### ***Allocation of costs***

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

## THE THOMAS DEACON ACADEMY

### PRINCIPAL ACCOUNTING POLICIES 31 August 2015

#### **Governance costs**

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

#### **Fund accounting**

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

Restricted funds comprise grants from the EFA and other donors which are to be used for specific purposes as explained in note 17.

#### **Tangible fixed assets**

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

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. The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets transferred from the Local Authority have been valued at cost and will be depreciated in accordance with the Academy's accounting policies set out below. These assets are depreciated once the assets are brought into use. The related donation is shown as voluntary income in the statement of financial activities.

Assets costing less than £500 are written off in the year of acquisition. All other assets are capitalised.

#### **Depreciation**

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. During the year the Directors reviewed the Academy's depreciation rates and changed them to a more appropriate rate. The principal annual rates used for other assets are:

Type of Asset	<u>2015</u>	<u>2014</u>
Long leasehold property	2%- 3.33%	2% - 3.33%
Furnishings and Fittings	10%	5%
Furniture and equipment	20%	10%
Computer equipment and software	33.33%	20%

#### **Investments**

The Academy's share holding in the wholly owned subsidiary, TDA Developments Limited, is included in the balance sheet at the cost of the share capital owned.

#### **Stock**

Unused stock is stated at the lower of cost or net realisable value.

#### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

## THE THOMAS DEACON ACADEMY

### PRINCIPAL ACCOUNTING POLICIES 31 August 2015

#### **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 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**

Academy staff are members of one of two pension schemes, both of which are defined benefit schemes. More details of the schemes are given in note 26.

#### ***Defined Benefit Schemes***

##### ***Teachers' Pension Scheme***

Full-time and part-time teaching staff employed under a contract of service, are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education and Skills. As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Academy in the year.

##### ***Local Government Pension Scheme***

Non teaching members of staff are offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

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.

**THE THOMAS DEACON ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2015**

**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.

<b>2 VOLUNTARY INCOME</b>	<b>2015</b>	2014
	<b>£000s</b>	£000s
Assets transferred from Local Authority	-	2,554
	<u>-</u>	<u>2,554</u>

<b>3 ACTIVITIES FOR GENERATING FUNDS</b>	<b>2015</b>	2014
	<b>£000s</b>	£000s
Sales from Academy shop	102	61
School trips	78	77
Catering	385	326
Subsidiary trading	85	152
Other	80	87
Capital Grants received		-
Pension past service cost		-
	<u>729</u>	<u>703</u>

<b>4 INVESTMENT INCOME</b>	<b>2015</b>	2014
	<b>£000s</b>	£000s
Bank Interest	27	33
Interest on Pension Fund	31	-
	<u>58</u>	<u>33</u>

**5 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>2015</b>	2014
	<b>£000s</b>	£000s
EFA grants		
. General Annual Grant (GAG) (note 1)	12,950	13,253
. Other	92	102
. Start up grant	-	-
. Capital grants	40	40
	<u>13,082</u>	<u>13,395</u>
Other Government grants		
. Capital Funds	52	137
. Other	468	362
	<u>520</u>	<u>499</u>
	<u>13,602</u>	<u>13,894</u>

THE THOMAS DEACON ACADEMY

NOTES TO THE FINANCIAL STATEMENTS 31 August 2015

6 RESOURCES EXPENDED	Staff Costs £000s	Deprec- iation £000s	Other costs £000s	<b>Total 2015 £000s</b>	Total 2014 £000s
Costs of generating funds	271	-	414	<b>685</b>	717
Academy's educational operations					
. Direct costs	8,666	3,441	821	<b>12,928</b>	11,936
. Allocated support costs	2,546	-	1248	<b>3,794</b>	3,114
. Additional pension costs	208			<b>208</b>	91
	<b>11,420</b>	<b>3,441</b>	<b>2,069</b>	<b>16,930</b>	<b>15,141</b>
Governance costs	-	-	64	<b>64</b>	33
	<b>11,483</b>	<b>3,441</b>	<b>2,547</b>	<b>17,679</b>	<b>15,891</b>

The method used for the apportionment of support costs is disclosed in the accounting policies on page 20.

Incoming/(outgoing) resources for the year include:

	<b>2015 £000s</b>	2014 £000s
Operating leases	<b>54</b>	57
Auditors' remuneration - audit services	<b>17</b>	17
- other services	<b>6</b>	3

THE THOMAS DEACON ACADEMY

NOTES TO THE FINANCIAL STATEMENTS 31 August 2015

7 CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS

	2015 £000s	2014 £000s
<b><i>DIRECT COSTS</i></b>		
Teaching and educational support staff costs	8,408	8,999
Pay Re-organisation Costs	258	-
Depreciation	3,441	2,053
Books, apparatus and stationery	209	253
Examination fees	198	202
Staff development	55	68
Educational consultancy	180	216
Other direct costs	179	145
	<u>12,928</u>	<u>11,936</u>
<b><i>ALLOCATED SUPPORT COSTS</i></b>		
Support staff costs	2,454	1,942
Pay Re-organisation Costs	92	-
Maintenance of premises and equipment	172	281
Cleaning	57	42
Rent and rates	109	83
Heat and light	253	222
Insurance	70	70
Security	20	13
Transport	38	40
Catering	106	82
Technology costs	230	189
Additional pension costs	208	91
Other support costs	193	150
	<u>4,002</u>	<u>3,205</u>
	<u>16,930</u>	<u>15,141</u>

8 GOVERNANCE COSTS

	2015 £000s	2014 £000s
Support costs	6	6
Legal and professional fees	4	6
Legal and professional fees re-organisation	31	-
Audit fees	23	21
Directors’ reimbursed expenses	-	-
	<u>64</u>	<u>33</u>

**THE THOMAS DEACON ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2015**

**9 STAFF COSTS**

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2015 expressed as full time equivalents was as follows:

	<b>2015</b>	2014
	<b>No.</b>	No.
<b>Charitable Activities</b>		
Teachers	<b>147</b>	157
Administration and support	<b>133</b>	127
Management	<b>3</b>	4
	<b>283</b>	288
<b>Governance activities</b>		
	<b>-</b>	-
	<b>283</b>	288
Staff costs comprise:		
	<b>2015</b>	2014
	<b>£000s</b>	£000s
Wages and salaries	<b>9,500</b>	9,299
Social security costs	<b>656</b>	620
Other pension costs	<b>1,535</b>	1,269
	<b>11,691</b>	11,188

7 employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2015. The total emoluments of these employees were in the following ranges:

	<b>2015</b>	2014
	<b>No.</b>	No.
£60,001 - £70,000	3	4
£70,001 - £80,000	-	1
£80,001 - £90,000	2	1
£120,001 - £130,000	1	1
	<b>6</b>	<b>7</b>

The employees earning more than £60,000 per annum participated in either the Teachers' Pension Scheme or Local Government Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £74,842

**10 DIRECTORS' REMUNERATION AND EXPENSES**

The Principal only receives remuneration in respect of services provided in undertaking the roles of Principal and not in respect of services as director/trustee. Other directors did not receive any payments, other than expenses, from the Academy in respect of their role as directors. The value of remuneration was as follows:

Mrs J Taylor                      £120,000 - £130,000

During the year ended 31 August 2015, travel and subsistence expenses totalling £NIL (2014 - £NIL) were reimbursed to Directors.

**THE THOMAS DEACON ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2015**

**11 DIRECTORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors 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 aggregate during the period of insurance and the cost for the year ended 31 August 2015 was £876 (2014 - £2,504).

**12 TANGIBLE FIXED ASSETS**  
**Group & Academy**

	Long Leasehold Land and Buildings £000s	Furnishings & Fittings £000s	Furniture & Equipment £000s	Computer Equipment £000s	<b>Total</b> <b>£000s</b>
<b>Cost</b>					
At 1 September 2014	35,819	15,496	2,627	3,390	<b>57,332</b>
Additions	138	123	140	448	<b>849</b>
New Build	-	-	-	-	-
Transfers	-	(1)	2	(1)	-
Disposals	-	-	-	-	-
At 31 August 2015	<b>35,957</b>	<b>15,618</b>	<b>2,769</b>	<b>3,837</b>	<b>58,181</b>
<b>Depreciation</b>					
At 1 September 2014	6,787	4,960	1,727	3,109	<b>16,583</b>
Charged in year	1,010	1,562	553	316	<b>3,441</b>
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 August 2015	<b>7,797</b>	<b>6,522</b>	<b>2,280</b>	<b>3,425</b>	<b>20,024</b>
<b>Net book values</b>					
At 31 August 2015	<b>28,160</b>	<b>9,096</b>	<b>489</b>	<b>412</b>	<b>38,157</b>
At 31 August 2014	29,032	10,536	900	281	40,749

All funds are used for direct charitable purposes and the provision of education.

**THE THOMAS DEACON ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2015**

**13 INVESTMENTS**

	<b>2015</b>	2014
	<b>£</b>	£
Investment in wholly owned subsidiary company at cost	<u><b>1,000</b></u>	<u>1,000</u>

The Academy owns 100% of the issued ordinary shares of TDA Developments Limited, a company incorporated in England (registration number 06435213). The principal business activity of TDA Developments Limited is the rental of facilities, provision of IT and consultancy services.

A summary of the results for the year ended 31 August 2015 and the balance sheet position at 31 August 2015 is shown below:

	<b>2015</b>	2014
	<b>£</b>	£
<b>Profit and loss account</b>		
Turnover	<b>85,311</b>	152,316
Expenditure	<b>(75,533)</b>	(131,740)
Interest receivable		
Profit on ordinary activities before Gift Aid payment	<u><b>9,778</b></u>	<u>20,576</u>
Gift Aid payment to the Academy	<u><b>(9,778)</b></u>	<u>(20,576)</u>
Profit on ordinary activities after Gift Aid payment	-	-
Retained profits brought forward at 1 September 2013	<u>-</u>	<u>-</u>
Retained profits carried forward at 31 August 2014	<u>-</u>	<u>-</u>
<b>Balance sheet</b>		
Current assets	<b>40,752</b>	95,110
Current liabilities	<b>(39,752)</b>	(94,110)
	<u><b>1,000</b></u>	<u>1,000</u>
Called up share capital	-	-
Profit and loss account	<u><b>1,000</b></u>	<u>1,000</u>
Shareholder's funds	<u><b>1,000</b></u>	<u>1,000</u>

The audit report for TDA Developments Limited for the year ended 31 August 2015 was approved by the board of directors on 26 November 2015.

THE THOMAS DEACON ACADEMY

NOTES TO THE FINANCIAL STATEMENTS 31 August 2015

14 STOCK

	Group 2015 £000s	Charity 2015 £000s	Group 2014 £000s	Charity 2014 £000s
Stationery	7	7	6	6
Catering	11	11	5	5
Uniforms	36	36	42	42
Goods for resale	11	11	14	14
	<u>65</u>	<u>65</u>	<u>67</u>	<u>67</u>

15 DEBTORS

	Group 2015 £000s	Charity 2015 £000s	Group 2014 £000s	Charity 2014 £000s
Trade debtors	37	5	49	16
Prepayments	244	244	186	186
Sundry debtors	48	49	48	52
Amount due from subsidiary undertaking	-	17	-	21
	<u>329</u>	<u>315</u>	<u>283</u>	<u>275</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2015 £000s	Charity 2015 £000s	Group 2014 £000s	Charity 2014 £000s
Trade creditors	276	265	312	289
Taxation and social security	178	178	197	197
Sundry creditors	72	72	89	89
Deferred Income	40	40	83	83
Accruals	585	565	490	444
	<u>1,151</u>	<u>1,120</u>	<u>1,171</u>	<u>1,102</u>

**Deferred income**

	2015 £000s
Deferred Income at 1 September 2014	83
Resources deferred in the year	48
Amounts released from previous years	(91)
Deferred Income at 31 August 2015	<u>40</u>

Deferred income comprises capital funds of £40k.

THE THOMAS DEACON ACADEMY

NOTES TO THE FINANCIAL STATEMENTS 31 August 2015

17 FUNDS	Balance at 1 September 2014 £000s	Incoming Resources £000s	Resources Expended £000s	Gains, (Losses) and Transfers £000s	Balance at 31 August 2015 £000s
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,558	13,510	13,345	(752)	971
Other	84	1	-	(6)	79
Pension reserve	(2,763)	31	208	(375)	(3,315)
	<u>(1,121)</u>	<u>13,542</u>	<u>13,553</u>	<u>(1,133)</u>	<u>(2,265)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	40,749	92	3,441	757	38,157
Capital expenditure from GAG	-	-	-	-	-
	<u>40,749</u>	<u>92</u>	<u>3,441</u>	<u>757</u>	<u>38,157</u>
<b>Total restricted funds</b>	<u>39,628</u>	<u>13,634</u>	<u>16,994</u>	<u>(376)</u>	<u>35,892</u>
<b>Unrestricted funds</b>					
Unrestricted funds	519	755	685	1	590
<b>Total funds</b>	<u>40,147</u>	<u>14,389</u>	<u>17,679</u>	<u>(375)</u>	<u>36,482</u>

Notes

- (i) General Annual Grant must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.
- (ii) The Restricted fixed asset fund comprises fixed assets funded by government grants or sponsors.
- (iii) The other Restricted General Fund is the residual private sponsorship, together with accumulated interest, and will be used to fund future projects at the direction of the sponsors.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £000s	Restricted general funds £000s	Restricted fixed asset funds		Total £000s
			Public £000s	Private £000s	
Tangible fixed assets	-	-	38,157	-	38,157
Net current assets	590	1,050	-	-	1,640
Pension scheme liability	-	(3,315)	-	-	(3,315)
	<u>590</u>	<u>(2,265)</u>	<u>38,157</u>	<u>-</u>	<u>36,482</u>

THE THOMAS DEACON ACADEMY

NOTES TO THE FINANCIAL STATEMENTS 31 August 2015

<b>19</b>	<b>CAPITAL COMMITMENTS</b>	<b>2015</b> <b>£000s</b>	2014 £000s
	Contracted for, but not provided in the financial statements	57	68
	Authorised by Directors, but not yet contracted	-	-
	The above capital commitments will be met from EFA capital grants to be received in future years.		
<b>20</b>	<b>LEASE COMMITMENTS</b>		
	<b><i>Operating leases</i></b>		
	At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:		
		<b>2015</b> <b>£000s</b>	2014 £000s
	Operating leases which expire:		
	Within one year	88	19
	Within two - five years	25	69
<b>21</b>	<b>RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
			2014 £000s
	Net incoming/(outgoing) resources	(3,290)	1,293
	Depreciation (note 12)	3,441	2,053
	Assets transferred from Local Authority	-	(2,554)
	Capital grants from DfE and other capital income	(92)	(177)
	Interest receivable (note 4)	(58)	(33)
	FRS 17 pension cost less contributions payable (note 26)	(31)	22
	FRS 17 pension finance income (note 26)	208	91
	(Increase)/decrease in stocks	2	(5)
	(Increase)/decrease in debtors	(46)	26
	Increase/(decrease) in creditors	(20)	93
	<b>Net cash inflow from operating activities</b>	<b>114</b>	<b>809</b>
<b>22</b>	<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
	Interest received	58	33
	<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>58</b>	<b>33</b>

**THE THOMAS DEACON ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2015**

**23 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

	<b>2015 £000s</b>	2014 £000s
Purchase of tangible fixed assets	<b>(849)</b>	(357)
Capital grants from DfE /EFA	<b>40</b>	40
Capital funding received from sponsors and others	<b>52</b>	137
Receipts from sale of tangible fixed assets	<u>          </u>	<u>          </u>
<b>Net cash outflow from capital expenditure and financial investment</b>	<b><u>(757)</u></b>	<b><u>(180)</u></b>

<b>24 ANALYSIS OF CHANGES IN NET FUNDS</b>	At 1 September 2014 £000s	Cash flows £000s	At <b>31 August 2015</b> <b>£000s</b>
Cash in hand and at bank	<u>2,982</u>	<u>(585)</u>	<u><b>2,397</b></u>
	<u>2,982</u>	<u>(585)</u>	<u><b>2,397</b></u>

**25 CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to :

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy: and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**26 PENSION COMMITMENTS**

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 Cambridgeshire County Council.

The total pension cost to the Academy during the year ended 31 August 2015 was £1,327,000 (2014 - £1,269,000) of which £814,000 (2014 - £838,000) relates to the TPS and £513,000 (2014 - £431,000) relates to LGPS.

26 PENSION COMMITMENTS (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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.
- the assumed real rate of return is 3.0% in excess of prices and 2.0% 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%.

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

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.

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 this scheme.

26 PENSION COMMITMENTS (CONTINUED)

**Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

**Local Government Pension Scheme**

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contribution made for the year ended 31 August 2015 was £658,922 of which employer's contributions totalled £512,762 and employees' contributions totalled £146,160. The agreed contribution rates for the year ended 31 August 2015 are 22.0% for employers and between 5.5% - 12.5% for employees.

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.

The following information is based upon a full actuarial valuation of the fund at 31 March 2004, updated to 31 August 2015 by a qualified independent actuary.

Assumptions

The major assumptions used by the actuary were:

	<b>At 31 August 2015</b>	At 31 August 2014
	<b>% per annum</b>	% per annum
Inflation/Pension Increase Rate	<b>2.6%</b>	2.6%
Salary Increase Rate	<b>4.5%</b>	4.4%
Expected return on assets	<b>3.7%</b>	5.6%
Discount rate	<b>3.7%</b>	3.7%

The mortality assumptions used were as follows:

	<b>At 31 August 2015</b>	At 31 August 2014
	<b>Years</b>	Years
Longevity at age 65 for current pensioners		
Men	<b>22.5</b>	22.5
Women	<b>24.5</b>	24.5
Longevity at age 65 for future pensioners		
Men	<b>24.4</b>	24.4
Women	<b>26.9</b>	26.9

THE THOMAS DEACON ACADEMY

NOTES TO THE FINANCIAL STATEMENTS 31 August 2015

26 PENSION COMMITMENTS (CONTINUED)

Local Government Pension Scheme

The Assets of the scheme and weighted average expected rate of return were:

	Long-term rate of return expected at 31 Aug 2015	Value at 31 August 2015	Long-term rate of return expected at 31 Aug 2014	Value at 31 August 2014
	%	£'000	%	£'000
Equities	3.7%	5,696	6.3%	5,270
Bonds	3.7%	1,155	2.9%	1,139
Property	3.7%	616	4.5%	498
Cash	3.7%	231	3.3%	214
<b>Total fair value of assets</b>				
<b>Present value of scheme liabilities</b>		7,698		7,121
<b>-Funded</b>		(11,013)		(9,884)
<b>(Deficit) in scheme</b>		<b>(3,315)</b>		<b>(2,763)</b>

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 expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions.

Total expenditure recognised in the statement of Financial Activities

	2015 £000s	2014 £000s
Current Service Cost	720	555
Interest Cost	378	358
Expected return on scheme assets	(409)	(336)
Effect of curtailment/settlement		
<b>Total expenditure recognised in SOFA</b>	<b>689</b>	<b>577</b>

26 PENSION COMMITMENTS (CONTINUED)

Local Government Pension Scheme

Net (loss)/gain recognised in Statement of Total Recognised Gains & Losses

	2015 £000s	2014 £000s
Actuarial gains/losses on pension scheme assets	(307)	779
Actuarial gains/losses on pension scheme liabilities	(68)	(1,463)
	<u>(375)</u>	<u>(684)</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses since the adoption of FRS 17 is a loss of £1,553,000 (2014 - £1,178,000 loss).

**Contributions**

Contributions made by the employer in the year have been £512k. The level of contribution will be reviewed as a result of the triennial valuation of the scheme as at 2012.

The best estimate of contributions to be paid by the employer to the scheme for the year ending 31 August 2015 is £520k.

**Movement in surplus/ (deficit) during the year**

	2015 £000s	2014 £000s
Surplus/(deficit) at 1 September	(2,763)	(1,966)
Movement in year		
Past service cost		
- Employer service cost (net of employee contributions)	(720)	(555)
- Employer contributions	512	464
Impact on settlement and curtailment		
- Past Service Cost	-	-
- Net interest / return of assets	31	(22)
- Actuarial gain or loss	(375)	(684)
<b>(Deficit) at 31 August</b>	<u><b>(3,315)</b></u>	<u><b>(2,763)</b></u>

**THE THOMAS DEACON ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS 31 August 2015**

**26 PENSION COMMITMENTS (CONTINUED)**

**Local Government Pension Scheme**

***Reconciliation of opening and closing balances of the present value of the Academy's share of scheme liabilities***

	<b>2015</b>	2014
	<b>£000s</b>	£000s
Scheme liabilities at 1 September	<b>9,884</b>	7,531
Current service cost	<b>720</b>	555
Interest cost	<b>378</b>	358
Contributions by scheme participants	<b>147</b>	132
Actuarial losses (gains)	<b>68</b>	1,463
Benefits paid	<b>(184)</b>	(155)
<b>Scheme liabilities at 31 August</b>	<b>11,013</b>	9,884

***Reconciliation of opening and closing balances of the fair value of the Academy's share of the scheme assets***

	<b>2015</b>	2014
	<b>£000s</b>	£000s
Fair value of scheme assets at 1 September	<b>7,121</b>	5,565
Expected return on scheme assets	<b>409</b>	336
Actuarial gains (losses)	<b>(307)</b>	779
Contributions by employer	<b>512</b>	464
Contributions by scheme participants	<b>147</b>	132
Benefits Paid	<b>(184)</b>	(155)
<b>Fair value of scheme assets at 31 August</b>	<b>7,698</b>	7,121

**27 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.

**28 RELATED PARTIES**

Mr M Delap, a director of the company, is a member of Gardiner Theobald LLP. During the year the total fees payable to Gardiner Theobald LLP for professional services amounted to £Nil.