

Company Registration No. 08621310 (England and Wales)

SURREY HEATH EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

SURREY HEATH EDUCATION TRUST

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SURREY HEATH EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr P Bagshaw (Resigned 16 July 2015)**
Mr R Coyne *

Mr L Foley (Appointed 23 March 2015 and resigned 16 July 2015) *, **
Dr K Foster (Resigned 16 July 2015)
Mrs C Funnell (Resigned 16 July 2015) *
Mr I Hylan *
Mr A Johnson (Chair) *
Mr P Mann *

Mrs H Manning (Resigned 16 July 2015) **
Prof A Sterr (Resigned 16 July 2015) **
Mr N Hall (Resigned 27 March 2015)
Mr I Jarrett (Resigned 21 October 2014)
Miss H Livesey (Resigned 19 December 2014)
Mrs L Nicholas (Vice Chair) (Resigned 23 February 2015)
Mrs E Russell (Resigned 3 February 2015)
Mr P Wharrad (Retired 8 December 2014) *
Mr R Sutton (Resigned 16 July 2015) **

* members of the finance and facilities committee

** During the year, changes were made to the composition of the Board Trustees to create a degree of separation between the governance of the overall Trust and that of Tomlinscote School. A number of trustees resigned from the main Board in July 2015 but remain as governors on Local Governing Body.

Members

Mr N Hall (resigned 27 March 2015)
Mrs L Nicholas (resigned 27 March 2015)
Mr R Coyne (appointed 27 March 2015)
Mr A Johnson
Mrs H Manning (appointed 27 March 2015)

Senior leadership team

Mr I Hylan	- Executive Principal
Mr R Major	- Headteacher
Miss J Bayliss	- Vice Principal
Miss H Livesey	- Assistant Principal
Mrs H Rushby	- Assistant Principal
Mr C Taylor	- Assistant Principal
Mr A Poole	- School Business Manager

Company secretary

Mr A Poole

Company registration number

08621310 (England and Wales)

Independent auditor

Wilkins Kennedy LLP
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

SURREY HEATH EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank
High Street
Camberley
Surrey
GU16 7HJ

Solicitors

Browne Jacobson
77 Gracechurch Street
City of London
EC3V 0AS

SURREY HEATH EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates Tomlinscote School and Sixth Form College, a highly regarded and consistently oversubscribed Secondary School in Surrey Heath. In May 2015 the school had 1613 students on roll, including 285 in the Sixth Form.

Structure, governance and management

Constitution

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

The Charitable Company is known as Surrey Heath Education Trust and operates as Tomlinscote School and Sixth Form College.

The trustees of Surrey Heath Education Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

The Local Governing Body is governed by the Surrey Heath Education Trust Scheme of Delegation, adopted on 16 July 2015.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance underwritten by Zurich Municipal to protect Trustees from claims arising from negligent acts, errors or omissions whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim. There were no third party indemnity provisions during the period September 2014 to August 2015.

SURREY HEATH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Method of recruitment and appointment or election of trustees

Type of Trustee (Director)	Name	Number/Proportion	Appointed/Elected by	LGB Scheme of Delegation Article Number
Executive Principal	Ian Hylan	1	Automatic	2.3.1
Parent Directors	Claire Funnell Philip Mann Helen Manning	2	Elected by parents of students at the school.	2.3.3
Community Directors	Paul Bagshaw Ray Coyne Andy Johnson Annette Sterr	6	Appointed by Directors	2.3.4
Staff Directors	Laurence Foley Richard Sutton	2 (not more than one third of the total number of Directors)	Elected by staff at the school	2.3.2
Co-Opted	-	Up to 1	Appointed by Directors for the duration of a specific need	2.3.5

Policies and procedures adopted for the induction and training of trustees

The school continues to procure Governor Support Services from Babcock 4S. Paul Bagshaw, Community Director, has the responsibility for liaising with Governors to provide access to this support.

Induction of Governors is carried out by the Clerk via an information pack and telephone support.

Organisational structure

In accordance with the Trust's Articles of Association, the business of the Trust is managed by the Governing Body. The Governing Body meets a minimum of once a term to execute its duties.

The Governing Body has the following committees:

- Finance, Facilities and People
- Teaching & Learning
- Salaries

The Composition of the Governing Body committees and their remit are reflected in Governing Body papers, terms of reference and committee work programmes for the respective committees.

The Governing Body delegates to the Principal, the internal organisation, day to day management and control of the Trust, including monitoring and consistent implementation of all policies and procedural documents approved by the Governing Body.

The Executive Principal is the Accounting Officer as required by the Funding Agreement with the Department for Education.

SURREY HEATH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Related parties and other connected charities and organisations

The Soft Federation with Kings International College, Camberley, Surrey ended in May 2015 but several shared classes continue. The Academy's Executive Principal is no longer the Executive Principal for Kings International and no longer spends any time working for Kings International.

The Academy is a member of the Surrey Heath Area Partnership for Education (SHAPE). Shared operational policies exist to ensure that curriculum delivery can be shared across those schools within SHAPE.

Objectives and activities

Objects and aims

The object of the Trust is set out in the company's Articles of Association, namely "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 and developing schools offering a broad and balanced curriculum".

Objectives, strategies and activities

The Board of Directors have set the School's strategic aims through the School Development Plan. These aims are monitored closely by the Board of Directors by way of Executive Principal and Senior Leadership Team Reports and through the work of the sub committees. During the Academic Year 2014-15, the School aimed to further raise the quality of Learning and Teaching through a development plan which had the following priorities:

- 1) Continue to improve achievement: All students are motivated to realise their potential in respect of their educational and personal development.
- 2) Quality of Learning & Teaching: All students will actively participate in lessons that are consistently good or outstanding.
- 3) Tomlinscote as a community: All member of the school will actively promote the values of our community.
- 4) Leadership and Development: Opportunities will be taken to develop interest and talent; organisationally, professionally and through staff and student leadership.
- 5) Partnership and collaboration: Links with other organisations will increase opportunities across the school.
- 6) Specialism: Opportunities will be taken to develop further international links while extending the curriculum specialism.
- 7) Corporate Support: Support staff, IT resources and facilities will support the delivery of whole school priorities as befitting an outstanding school.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

During the financial year the Academy furthered its charitable purposes for the public benefit by teaching the full national curriculum and a broader curriculum to 11 to 16 year olds. The Academy successfully sustained the Sixth Form provision, enabling its Key Stage 4 students to continue into Further Education as well as providing an opportunity to other local students. In addition, many of the students in the Upper Sixth Form successfully progressed to Higher Education or employment, often through high quality apprenticeships.

SURREY HEATH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

The main activity during the period under review was to continue to ensure that students' attainment and achievement was outstanding.

Significant achievements include:

- GCSE performance was sustained at a level well above that found nationally. The headline measure shows 69% of students gained at least 5 grade Cs or above, including Maths and English. 81% of students gained a C or above in English with 79% reaching the same level in Mathematics. The Trust is disappointed that there was not a greater overlap with students gaining a C+ in both qualifications.
- Of particular note are the progress measures, particularly the figures for those making 'more than expected progress'. 46% achieved this in English and 44% in Mathematics; both more than 10% above national figures. The new Progress 8 measure (while not a national indicator this year) shows that students gained over a quarter of a grade higher in each subject than students with similar prior attainment. The measure was over double this for the English Baccalaureate.
- Thirty one students were identified as disadvantaged and their outcomes were strong, particularly in English where 77% made expected progress. The gaps to the other students are smaller than those found nationally, reflecting the effective use of the additional funding provided to support these students. This continues to be a priority for future work.
- Sixth Form results combine A-levels and Vocational Courses. Attainment figures continue to be strong with both the pass rate and the headline %A*-B being in line with national averages. This is creditable as the year group gained disappointing results when in Year 12. Individual success was reflected in a number of students 'trading up' for university places and our first successful Oxbridge application for several years. The national Value Added measure shows that progress is in line with that made by other students of similar prior attainment.
- Staffing changes as a result of the review of support staff roles have been very successful, allowing teaching staff to concentrate on learning and support for students to be provided promptly. This has been especially valuable with one year group who are presenting with frequent family and anxiety issues and in ensuring attendance is closely monitored.
- Extra-curricular provision is extensive with approximately 150 trips taking place across the year and an extensive range of clubs, teams and charity events broadening the student experience. The school continues to play a leading role in the development of the teaching of languages and students have visited a number of countries for language development while small groups of students have accessed rare opportunities through the German Embassy and the Goethe Institute. The school has recently received the prestigious International Schools Award in recognition of the whole school commitment to international understanding and participation.

SURREY HEATH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Key performance indicators

The School was last inspected by Ofsted in May 2011 when it was judged to be Outstanding. There have been a number of revisions to the Inspection Framework since this time that have significantly raised expectations of all judgements. Of the 702 secondary inspections carried out in this reporting period, only 58 schools have received an Outstanding judgement.

The school judges that Overall Effectiveness is Good in both the Main School and the Sixth Form.

This is based on Outstanding teaching (93% Good+ and 30% Outstanding). In 2015, 63% of students followed the EBacc subjects supported by languages for all students. This will increase as all students now follow at least two science qualifications. This broad curriculum resulted in 42% of students gaining the EBacc (national 23%). Students continue to access high quality, on site, vocational provision. The opportunities for international and work related experience are extensive and benefit a wide range of students.

Students contribute actively to school leadership and a positive ethos is evident in classrooms and social areas – students have high expectations of each other, as do the staff, and this results in a happy and safe school. Specific guidance has been provided to all students to help keep them safe in the areas of e-safety and the prevention of radicalisation. The breadth of students' experience, gained from their families and the range of experiences provided by school, contributes to a positive moral, spiritual and cultural learning environment.

Many aspects of the experience of students at Tomlinscote would justify an Outstanding judgement. Teaching is consistently Good, or better, and GCSE success (high attainment and outstanding 'expected progress' figures) show marked improvement from figures for 2011 and 2012. Students communicate well orally and in writing. A support programme is in place for those with lower literacy skills and monitoring shows this to be successful. Staff and visitors comment positively on behaviour and atmosphere in school while many aspects of Leadership and Management are judged to be Outstanding (curriculum provision, development of teaching and learning, management of resources and support for other schools).

This judgement is limited to Good at this time. This is because learning does not yet maximise the contributions students can make, particularly in terms of active participation in learning in class and secondly the achievement of the sixth form needs to improve, particularly in terms of work in Year 12.

The Soft Federation with Kings International College ended in May 2015 following five very successful years during which the College has progressed from being judged Inadequate to being on the verge of Good. This partnership brought many benefits for both institutions.

2015 GCSE targets in the school were:

5+ A* - C inc. English and Maths	76%
Expected progress – English	81%
Expected progress – Maths	82%
More than expected progress – English	36%
More than expected progress – Maths	38%

Tables 1 and 2 provide a summary of the school's performance in the Summer 2014 and 2015 examination seasons.

Early reporting suggests that the national headline figure for % 5+ A*-C including English and Maths is 56% in 2015.

SURREY HEATH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Table 1. Comparison of examination results gained by students in Year 11.
(Figures in brackets show national average results)

Year	2014	2015
No. of students	268	264
5+ grades at A* - C	79% (64%)	77%
5+ A* - C inc. English and Maths	72% (55%)	69%
Best 8 subjects points score	343 (307)	347
English Baccalaureate	38% (24%)	42%
Expected progress - English	81% (70%)	81%
Expected progress - Maths	83% (65%)	77%
More than expected progress English	34% (32%)	46%
More than expected progress Maths	39% (29%)	44%
Value Added	1010 (1000)	-
Progress 8	-	+ 0.28
English and Maths at C or above	75% (58%)	72%

Table 2. Comparison of examination results gained by students in Year 13 (Sixth Form).
(Figures in brackets show national average results)

Year	2014	2015
No. of students	72	99
A* - A	24%	18%
A* - B	44% (51%)	49%
A* - E	98% (99%)	98%
Average points per student	698 (773)	718
Average points per entry	225 (211)	214

Pupil Attendance:

2014 – 95.2% (National 94.9%)

2015 – 94.8% (Attendance target was 95.5%)

Persistent Absence (missing more than 15% of sessions)

2014 – 3.8% (National 5.8%)

2015 - Actual 4.3% (Target was 3.8%)

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

SURREY HEATH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are 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. 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.

During the year ended 31 August 2015, total expenditure of £9,899k (2014: £9,406k) was met 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 and transfers to restricted fixed asset funds) was £671k (2014: £626k).

At 31 August 2015 the net book value of fixed assets was £21,106k (2014: £21,541k). Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Surrey County Council Pension Fund, in which the Academy participates, showed a deficit of £2,357k at 31 August 2015 (2014: £2,278k). Of this sum, £1,871k was inherited by Tomlinscote School from the Surrey County Council on 1 September 2013, the date the local authority's staff transferred to employment with the Academy.

The Academy held fund balances at 31 August 2015 of £19,691k (2014: £20,424k) comprising £18,841k (2014: £19,576k) of restricted funds and £850k (2014: £848k) of unrestricted general funds. Of the restricted funds, £21,198k (2014: £21,541k) is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £2,357k (2014: £2,278k) in deficit.

Reserves policy

The Governors have reviewed the reserves of the Academy. This review encompassed the nature of the income and expenditure streams, the need to match them with commitments and the nature of the reserves. As a result of this review a target reserve of 2% has been identified. The Governors' intention is to carry forward a prudent level of resource that will enable the longer-term cyclical needs of Trust to be met as well as to hold a provision for any unforeseen contingencies.

The Trust's free reserves as at 31st August 2015 were £850K.

Investment policy and powers

The Trust has not invested any funds during this financial year. The Trust's Finance Policy notes the requirement for Governors to "Take special care when investing the funds of the Trust" i.e. any investment that did take place would need to have proven low risk.

SURREY HEATH EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Principal risks and uncertainties

The Board of Directors has considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

The Board of Directors have implemented a number of systems to assess and reduce risks that the School faces, especially in operational areas in relation to teaching, health and safety, (including school trips), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continuing professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk.

Adequate insurance has been arranged where significant financial risk remains. The School has an effective system of internal financial control as explained in the Statement on Internal Control.

Plans for future periods

The School's prime focus is to continue to help our students make as much progress – academically, socially and culturally – as possible. In terms of the curriculum, significant change is underway with new specification for A level and GCSEs together with a revised grading structure for GCSE English and Maths and a conscious raising of standards at both levels. Parallel to this, the removal of national curriculum assessment is introducing a level of uncertainty to assessment. A key priority for the immediate future is supporting staff as they introduce these changes while seeking to maintain high attainment at GCSE and continue the improvement started in the sixth form.

With a real terms funding cut of over 6% in the 2015/16 budget allocation, and more to follow in the future, Tomlinscote faces financial challenges common to most schools. This places significant pressure on staff who will teach more, and to larger classes, with less discretionary expenditure to develop resources. At a time of increasing difficulty with teacher recruitment, maintaining excellence under these conditions will become increasingly difficult.

The Surrey Heath Education Trust is refocussing plans to collaborate with other schools following the decision of local primary schools to form a primary based Trust. The Trust has applied for Sponsor status and will seek to work with secondary schools in the local area. In the longer term, the Trust wishes to develop the new school curriculum to incorporate core language learning and the integrated use of IT. This will develop the breadth of expertise within the Trust and raise the prospect of further schools entering the partnership.

Auditor

In so far as the trustees are aware:

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

A resolution proposing that Wilkins Kennedy LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11/12/15 and signed on its behalf by:



Mr A Johnson
Chair

SURREY HEATH EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the executive 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 Surrey Heath Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr P Bagshaw (Resigned 16 July 2015)	8	8
Mr R Coyne	8	8
Mr L Foley (Appointed 23 March 2015 and resigned 16 July 2015)	2	3
Dr K Foster (Resigned 16 July 2015)	5	8
Mrs Claire Funnell (Resigned 16 July 2015)	6	8
Mr I Hylan	8	8
Mr A Johnson (Chair)	7	8
Mr P Mann	6	8
Mrs H Manning (Resigned 16 July 2015)	8	8
Prof A Sterr (Resigned 16 July 2015)	6	8
Mr N Hall (Resigned 27 March 2015)	3	4
Mr I Jarrett (Resigned 21 October 2014)	2	2
Miss H Livesey (Resigned 19 December 2014)	2	3
Mrs L Nicholas (Vice Chair) (Resigned 23 February 2015)	4	4
Mrs E Russell (Resigned 3 February 2015)	1	3
Mr P Wharrad (Retired 8 December 2014)	0	0
Mr R Sutton (Resigned 16 July 2015)	6	8

During the year, changes were made to the composition of the Board of Trustees to create a degree of separation between the governance of the overall Trust and that of Tomlinscote School. A number of trustees resigned from the main Board in July 2015 and formed the local governing body of the School.

SURREY HEATH EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The finance and facilities committee is a sub-committee of the main board of trustees. Governors agreed to amalgamation with the People Committee at the FGB held on 23.02.15.

In terms of Finance and Facilities its purpose is to:

- a) Review costings and short, medium and long term financial projections in conjunction with other committees when required;
- b) Present an annual budget and a report for approval to the full Governors' meeting at the appropriate time;
- c) Submit minutes of the meetings of the FFC to the Governing Body;
- d) Regularly review the school's financial position;
- e) Ensure the principles of Every Child Matters are accepted and maintained by the FFC;
- f) Achieve and maintain the Schools Financial Value Standard (SFVS);
- g) Prepare an annual summary of accounts for the past year and present it to the full Governing Body when appropriate;
- h) A non-staff member of the FFC accompanied by the Premises Manager, will inspect the School premises each term and the grounds and exterior annually;
- i) Carry out a review of the School Infrastructure Management and Development Plan annually; and
- j) Carry out a Review of the School Health and Safety Policy annually.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr R Coyne	5	5
Mr L Foley (Appointed 23 March 2015 and resigned 16 July 2015)	2	2
Mrs Claire Funnell (Resigned 16 July 2015)	2	2
Mr I Hylan	4	5
Mr A Johnson (Chair)	4	5
Mr P Mann	2	2
Mr P Wharrad (Retired 8 December 2014)		

Review of value for money

As accounting officer the executive principal 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.

SURREY HEATH EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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

- The school directed additional staffing to provide intervention support for Year 11 learning in core academic subjects, resulting in a reduction in the deprivation gap, an increase in the proportion making more than expected progress in English and Maths and better Additional Science results than the students had gained in Year 10 Core Science.
- The school has reviewed its IT provision and as a result moved away from its previous laptop scheme to a more cost effective iPad scheme which has generated a higher level of parental support and made a significant saving for the school.
- Staffing has been reviewed which helped to identify savings of over £150k.
- The school was successful in bidding for over £500k of funds to upgrade some of the school's roofs and this work has been competitively tendered to ensure VFM.

Plans for the coming year include undertaking a review of the printing and reprographic provision within the school to identify if there are more cost effective alternatives.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Surrey Heath Education Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Babcock 4S as internal auditor.

SURREY HEATH EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's systems of control and on the discharge of the board of trustees' financial responsibilities.

On a regular basis, the auditor reports to the board of trustees through the finance and facilities committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Two visits and internal audit reports were completed in 2014-15.

Review of effectiveness

As accounting officer the executive 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 internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 11/12/15 and signed on its behalf by:



Mr A Johnson
Chair

SURREY HEATH EDUCATION TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

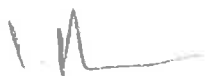
FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Surrey Heath Education Trust I have considered my responsibility to notify the academy trust board of trustees 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust's board of trustees 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 trustees and EFA.

Approved on 11-12-15 and signed by:



Mr I Hylan
Accounting Officer

SURREY HEATH EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 11/12/15 and signed on its behalf by:



Mr A. Johnson

Chair

SURREY HEATH EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SURREY HEATH EDUCATION TRUST

We have audited the accounts of Surrey Heath Education Trust for the year ended 31 August 2015 set out on pages 21 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees, who are also the directors of Surrey Heath Education Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

SURREY HEATH EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SURREY HEATH EDUCATION TRUST

Matters on which we are required to report by exception

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

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

Wilkins Kennedy LLP

Kevin Walmsley (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy LLP

Chartered Accountants

Statutory Auditor

Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

Dated: *14.12.2015*

SURREY HEATH EDUCATION TRUST

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

In accordance with the terms of our engagement letter dated 22 September 2014 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 Surrey Heath Education Trust during the period 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 Surrey Heath Education Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Surrey Heath Education Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Surrey Heath Education Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Surrey Heath Education Trust's funding agreement with the Secretary of State for Education dated 30 August 2013 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 period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

SURREY HEATH EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SURREY HEATH EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

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

W. O'Brien Kennedy LLP

Wilkins Kennedy LLP

Reporting Accountant

Gladstone House

77-79 High Street

Egham

Surrey

TW20 9HY

Dated: 14.12.2015

SURREY HEATH EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds	Restricted funds	Fixed Asset funds	Total 2015	Total 2014 13 Months
	Notes	£'000	£'000	£'000	£'000	£'000
<u>Incoming resources</u>						
<i>Resources from generated funds</i>						
- Voluntary income	2	53	147	-	200	221
- Inherited on conversion		-	-	-	-	21,468
- Activities for generating funds	3	24	-	-	24	9
- Investment income	4	2	-	-	2	3
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	343	8,123	550	9,016	8,576
Total incoming resources		<u>422</u>	<u>8,270</u>	<u>550</u>	<u>9,242</u>	<u>30,277</u>
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	420	8,915	536	9,871	9,365
Governance costs	8	-	28	-	28	41
Total resources expended	6	<u>420</u>	<u>8,943</u>	<u>536</u>	<u>9,899</u>	<u>9,406</u>
Net incoming/(outgoing) resources before transfers		2	(673)	14	(657)	20,871
Gross transfers between funds		-	357	(357)	-	-
Net income/(expenditure) for the year		<u>2</u>	<u>(316)</u>	<u>(343)</u>	<u>(657)</u>	<u>20,871</u>
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(76)	-	(76)	(447)
Net movement in funds		2	(392)	(343)	(733)	20,424
Fund balances at 1 September 2014		<u>848</u>	<u>(1,965)</u>	<u>21,541</u>	<u>20,424</u>	<u>-</u>
Fund balances at 31 August 2015		<u>850</u>	<u>(2,357)</u>	<u>21,198</u>	<u>19,691</u>	<u>20,424</u>

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

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

SURREY HEATH EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	11	21,106	21,541
Current assets			
Debtors	12	308	480
Cash at bank and in hand		1,268	1,367
		1,576	1,847
Current liabilities			
Creditors: amounts falling due within one year	13	(634)	(686)
Net current assets		942	1,161
Net assets excluding pension liability		22,048	22,702
Defined benefit pension liability	17	(2,357)	(2,278)
Net assets		19,691	20,424
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds		21,198	21,541
- General funds		-	313
- Pension reserve		(2,357)	(2,278)
Total restricted funds		18,841	19,576
Unrestricted income funds	15	850	848
Total funds		19,691	20,424

The accounts were approved by order of the board of trustees and authorised for issue on 11/12/15.

Mr A Johnson
Chair

Company Number 08621310

SURREY HEATH EDUCATION TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

		2015	2014
	Notes	£'000	13 Months £'000
Net cash inflow/(outflow) from operating activities	18	(550)	1,358
Returns on investments and servicing of finance			
Investment income	2		3
Net cash inflow/(outflow) from returns on investments and servicing of finance		2	3
		(548)	1,361
Capital expenditure and financial investments			
Capital grants received	550		49
Payments to acquire tangible fixed assets	(101)		(43)
Net cash flow from capital activities		449	6
Increase/(decrease) in cash	19	(99)	1,367

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

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

1.2 Going concern

The trustees 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 trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

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

Grants receivable

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

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

Donated services and gifts in kind

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

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.4 Resources expended

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

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	over 15 to 50 years
Computer equipment	over 5 years
Fixtures, fittings & equipment	over 10 years
Motor vehicles	over 5 years

1.6 Leasing commitments

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

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.7 Taxation

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

1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust 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 are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

1.9 Fund accounting

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

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

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

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Other donations	53	147	200	221

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	24	-	24	9

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Bank interest received	2	-	2	1
Other investment income	-	-	-	2
	2	-	2	3

5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
DfE / EFA grants				
General annual grant (GAG)	-	7,416	7,416	7,524
Capital grants	-	550	550	-
Other DfE / EFA grants	-	348	348	274
	-	8,314	8,314	7,798
Other government grants				
Local authority grants	-	88	88	114
Other funds				
Other incoming resources	343	271	614	664
Total funding	343	8,673	9,016	8,576

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2015 £'000	Total 2014 £'000
Academy's educational operations					
- Direct costs	5,961	404	1,203	7,568	7,620
- Allocated support costs	637	831	835	2,303	1,745
	<u>6,598</u>	<u>1,235</u>	<u>2,038</u>	<u>9,871</u>	<u>9,365</u>
Other expenditure					
Governance costs	-	-	28	28	41
	<u>-</u>	<u>-</u>	<u>28</u>	<u>28</u>	<u>41</u>
Total expenditure	<u>6,598</u>	<u>1,235</u>	<u>2,066</u>	<u>9,899</u>	<u>9,406</u>
Net income/(expenditure) for the year includes:				2015 £'000	2014 £'000
Operating leases					
- Other				154	170
Fees payable to auditor					
- Audit				9	10
- Other services				<u>2</u>	<u>1</u>

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Direct costs				
Teaching and educational support staff costs	408	5,485	5,893	5,837
Depreciation	-	404	404	404
Technology costs	-	244	244	324
Educational supplies and services	-	437	437	708
Examination fees	-	168	168	184
Staff development	-	68	68	-
Educational consultancy	-	25	25	-
Other direct costs	-	329	329	163
	<u>408</u>	<u>7,160</u>	<u>7,568</u>	<u>7,620</u>
Allocated support costs				
Support staff costs	-	637	637	653
Depreciation	-	132	132	104
Technology costs	-	32	32	-
Recruitment and support	-	16	16	-
Maintenance of premises and equipment	-	699	699	166
Cleaning	-	157	157	162
Energy costs	-	134	134	138
Rent and rates	12	139	151	146
Insurance	-	63	63	59
Catering	-	4	4	5
Interest and finance costs	-	49	49	67
Other support costs	-	229	229	245
	<u>12</u>	<u>2,291</u>	<u>2,303</u>	<u>1,745</u>
Total costs	<u>420</u>	<u>9,451</u>	<u>9,871</u>	<u>9,365</u>

8 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Legal and professional fees	-	16	16	29
Auditor's remuneration				
- Audit of financial statements	-	9	9	10
- Other audit costs	-	2	2	1
Other governance costs	-	1	1	1
	<u>-</u>	<u>28</u>	<u>28</u>	<u>41</u>

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015 £'000	2014 £'000
Wages and salaries	5,184	5,103
Social security costs	380	379
Other pension costs	820	812
	<u>6,384</u>	<u>6,294</u>
Supply teacher costs	138	196
Staff development and other staff costs	76	-
	<u>138</u>	<u>196</u>
Total staff costs	<u>6,598</u>	<u>6,490</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	93	97
Administration and support	53	59
Management	7	6
	<u>153</u>	<u>162</u>

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

	2015 Number	2014 Number
£60,001 - £70,000	1	-
£80,001 - £90,000	1	1
£120,000 - £130,000	1	1
	<u>3</u>	<u>2</u>

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

		2015	2014
Teachers' Pension Scheme	Numbers	3	2
	£'000	<u>38</u>	<u>28</u>
Local Government Pension Scheme	Numbers	-	-
	£'000	<u>-</u>	<u>-</u>

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The executive principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of executive principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

I Hylan (Executive Principal)

- Remuneration £125,000 - £130,000 (2014: £120,000 - £125,000)
- Employer's Pension Contributions £15,000 - £20,000 (2014: £15,000 - £20,000)

I Jarrett (resigned 21.10.14), H Livesey (resigned 19.12.2014), R Sutton and L Foley (Staff):

- Remuneration £84,330 (2014: £120,675)
- Employer's Pension Contributions £12,683 (2014: £21,944)

The disclosure of staff remuneration covers only the period for which they were governors. I Jarrett resigned from the Board on 21 October 2014, H Livesey resigned from the Board on 19 December 2014 and L Foley was appointed to the Board on 23 March 2015.

The salaries of staff governors have been aggregated as the Governors believe any further breakdown would be prejudicial to the structure of the Governing Body and the recruitment and retention of future staff governors.

During the year, £527 was paid to two governors (2014: £560 paid to two governors).

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,712 (2014: £1,662).

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2014	21,465	278	306	-	22,049
Additions	-	86	8	7	101
At 31 August 2015	21,465	364	314	7	22,150
Depreciation					
At 1 September 2014	404	54	50	-	508
Charge for the year	404	79	51	2	536
At 31 August 2015	808	133	101	2	1,044
Net book value					
At 31 August 2015	20,657	231	213	5	21,106
At 31 August 2014	21,061	228	252	-	21,541

12 Debtors

	2015 £'000	2014 £'000
VAT recoverable	63	338
Prepayments and accrued income	245	142
	308	480

13 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	183	214
Taxes and social security costs	221	229
Accruals	27	45
Deferred income	203	198
	634	686

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14	Deferred income			2015	2014	
				£'000	£'000	
	Deferred income is included within:					
	Creditors due within one year			203	198	
	Total deferred income at 1 September 2014			198	-	
	Amounts credited to the statement of financial activities			198	-	
	Amounts deferred in the year			(203)	(198)	
	Total deferred income at 31 August 2015			193	(198)	
15	Funds					
		Balance at 1	Incoming	Resources	Gains, losses	Balance at 31
		September 2014	resources	expended	& transfers	August 2015
		£'000	£'000	£'000	£'000	£'000
	Restricted general funds					
	General Annual Grant	-	7,416	(7,773)	357	-
	Other DfE / EFA grants	313	348	(661)	-	-
	Other government grants	-	88	(88)	-	-
	Other restricted funds	-	418	(418)	-	-
	Funds excluding pensions	313	8,270	(8,940)	357	-
	Pension reserve	(2,278)	-	(3)	(76)	(2,357)
		(1,965)	8,270	(8,943)	281	(2,357)
	Restricted fixed asset funds					
	DfE / EFA capital grants	21,541	550	(536)	(357)	21,198
	Total restricted funds	19,576	8,820	(9,479)	(76)	18,841
	Unrestricted funds					
	General funds	848	422	(420)	-	850
	Total funds	20,424	9,242	(9,899)	(76)	19,691

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Trust. 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.

Other DFE/EFA grants: This includes all other funding received from the EFA and DFE, excluding capital grants.

Other government grants: This includes all funding received from Surrey County Council and grant from other government bodies.

Other restricted funds: This includes all non-grant restricted income, including donations to the laptop fund.

The transfer from the fixed asset fund to the General Annual Grant fund is to reallocate the funding received for the repair works to the windows and roofs.

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	21,106	21,106
Current assets	1,484	-	92	1,576
Creditors falling due within one year	(634)	-	-	(634)
Defined benefit pension liability	-	(2,357)	-	(2,357)
	<u>850</u>	<u>(2,357)</u>	<u>21,198</u>	<u>19,691</u>

17 Pensions and similar obligations

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

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

Contributions amounting to £110,000 (2014: £Nil) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £439,000 (2014: £527,000).

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

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 30.4% for employers and a variable rate for each employee based on salary. The estimated value of employer contributions for the forthcoming year is £323,000.

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.

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

Contributions made	2015 £'000	2014 £'000
Employer's contributions	381	391
Employees' contributions	78	78
Total contributions	459	469
Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.0	3.9
Rate of increase for pensions in payment	2.6	2.6
Discount rate for scheme liabilities	3.7	3.7
Inflation assumption (CPI)	4.0	3.9

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

	2015 Years	2014 Years
Retiring today		
- Males	22.5	22.5
- Females	24.6	24.6
Retiring in 20 years		
- Males	24.5	24.5
- Females	26.9	26.9

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

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

	2015 Expected return %	2015 Fair value £'000	2014 Expected return %	2014 Fair value £'000
Equities	3.7	1,516	6.3	1,182
Bonds	3.7	348	3.2	261
Cash	3.7	41	3.3	15
Property	3.7	143	4.5	77
Total market value of assets		2,048		1,535
Present value of scheme liabilities - funded		(4,405)		(3,813)
Net pension asset / (liability)		(2,357)		(2,278)

The actuary has set the expected rates of return equal to the discount rate for all classes of assets.

Amounts recognised in the statement of financial activities

	2015 £'000	2014 £'000
Operating costs/(income)		
Current service cost (net of employee contributions)	335	284
Past service cost	-	-
Total operating charge	335	284
Finance costs/(income)		
Expected return on pension scheme assets	(100)	(69)
Interest on pension liabilities	149	136
Net finance costs/(income)	49	67
Total charge/(income)	384	351

SURREY HEATH EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

Actuarial gains and losses recognised in the statement of financial activities

	2015	2014
	£'000	£'000
Actuarial (gains)/losses on assets: actual return less expected	46	(78)
Experience (gains)/losses on liabilities	30	525
(Gains)/losses arising from changes in assumptions	-	-
	<u>76</u>	<u>447</u>
Total (gains)/losses		
	<u>76</u>	<u>447</u>
Cumulative (gains)/losses to date	<u>523</u>	<u>447</u>

Movements in the present value of defined benefit obligations

	2015	2014
	£'000	£'000
Obligations at 1 September 2014	(3,813)	-
Obligations acquired on conversion	-	(2,790)
Current service cost	(335)	(284)
Interest cost	(149)	(136)
Contributions by employees	(78)	(78)
Actuarial gains/(losses)	(30)	(525)
	<u>(4,405)</u>	<u>(3,813)</u>
At 31 August 2015		
	<u>(4,405)</u>	<u>(3,813)</u>

Movements in the fair value of scheme assets

	2015	2014
	£'000	£'000
Assets at 1 September 2014	1,535	-
Assets acquired on conversion	-	919
Expected return on assets	100	69
Actuarial gains/(losses)	(46)	78
Contributions by employers	381	391
Contributions by employees	78	78
	<u>2,048</u>	<u>1,535</u>
At 31 August 2015		
	<u>2,048</u>	<u>1,535</u>

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

History of experience gains and losses

	2015 £'000	2014 £'000
Present value of defined benefit obligations	(4,405)	(3,813)
Fair value of share of scheme assets	2,048	1,535
Surplus / (deficit)	(2,357)	(2,278)
Experience adjustment on scheme assets	(46)	78
Experience adjustment on scheme liabilities	(30)	(525)

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £'000	2014 £'000
Net income	(657)	20,871
Capital grants and similar income	(550)	(49)
Net deficit/(surplus) transferred on conversion	-	(20,135)
Investment income	(2)	(3)
Defined benefit pension costs less contributions payable	(46)	(107)
Defined benefit pension finance costs/(income)	49	67
Depreciation of tangible fixed assets	536	508
(Increase)/decrease in debtors	172	(480)
Increase/(decrease) in creditors	(52)	686
Net cash inflow/(outflow) from operating activities	(550)	1,358

19 Reconciliation of net cash flow to movement in net funds

	2015 £'000	2014 £'000
Increase/(decrease) in cash	(99)	1,367
Net funds at 1 September 2014	1,367	-
Net funds at 31 August 2015	1,268	1,367

20 Analysis of net funds

	At 1 September 2014 £'000	Cash flows £'000	Non-cash changes £'000	At 31 August 2015 £'000
Cash at bank and in hand	1,367	(99)	-	1,268

SURREY HEATH EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

21 Commitments under operating leases

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

	2015 £'000	2014 £'000
Expiry date:		
- Within one year	62	44
- Between two and five years	100	47
	<u>162</u>	<u>91</u>

22 Related parties

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

During the year, the Trust made recharges of staff costs of £24,615 to Kings International College and purchases of £8,779 in respect of the supply of teaching and training costs. Kings International College was a related party as for part of the year, they shared an Executive Principal with Tomlinscote School.

During the year, the Trust made recharges of £141,477 to Surrey Health Area Partnership for Education (SHAPE), which related to staff costs and the use of facilities; purchases of £30,864 in respect of the recharge of expenses and staff costs were also made from SHAPE. Course places for students were also purchased at the cost of £42,602. SHAPE is a consortium of five schools and one further education college of which the Trust is a member.

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