

**Surrey Heath Education Trust
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Period ended 31 August 2014

**Company Registration Number:
08621310 (England and Wales)**

Surrey Heath Education Trust

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Surrey Heath Education Trust

Reference and Administrative Details

Members	Mr N Hall Mrs L Nicholas Mr A Johnson	
Trustees	Mr P Bagshaw (Community Director) Mrs R Catt (Parent Director - term ended Sept 13) Mr R Coyne* (Community Director, Chair of F&F Committee) Dr K Foster (Community Director) Mrs C Funnell (Parent Director) Mr N Hall (Community Director, SHET Member, Vice Chair) Mr I Hylan* (Executive Principal) Mr I Jarrett* (Non-teaching Staff Director) Mr A Johnson* (Community Director, SHET Member, Chair) Miss H Livesey (Staff Director) Mr R Major (Associate – Head Teacher) Mr P Mann (Parent Director, elected December 2013) Mrs H Manning (Parent Director) Mrs L Nicholas (Parent Director, SHET Member, Vice Chair) Mr R Paton (Community Director) Mrs E Russell (Parent Director, elected December 13) Prof. A Sterr (Community Director) Mr R Sutton (Staff Director) Mr P Wharrad* (Parent Director)	
	* members of the Finance and Facilities committee	
Company Secretary	Mr A Poole	
Senior Leadership Team:	Executive Principal Headteacher Vice Principal Assistant Principal Assistant Principal Assistant Principal School Business Manager	Mr I Hylan Mr R Major Ms H Rushby Mr S Allen Mr J Simms Miss H Livesey Mr A Poole
Principal and Registered Office	Tomlinscote School & Sixth Form College Tomlinscote Way Frimley Surrey GU16 8PY	
Company Registration Number	08621310 (England and Wales)	

Surrey Heath Education Trust

Reference and Administrative Details

Independent Auditor	Wilkins Kennedy LLP Gladstone House 77-79 High Street Egham Surrey TW20 9HY
Bankers	Lloyds Bank High Street Camberley Surrey GU16 7HJ
Solicitors	Browne Jacobson 6th Floor 77 Gracechurch Street London EC3V 0AS
Accountant	Baker Tilly Tax and Accounting Limited 3rd Floor, One London Square Cross Lanes Guildford Surrey GU1 1UN

Surrey Heath Education Trust

Trustees' Report

The Trustees present their report together with the financial statements and auditors' report of the Trust for the period **23 July 2013 to 31 August 2014**. The report serves the purposes of both a Trustees' Report under charity law and a Directors' Report incorporating the Strategic Report under company law.

The Trust currently operates Tomlinscote School and Sixth Form College, a highly regarded and consistently oversubscribed Secondary School in Surrey Heath. In May 2014, the school had 1,646 students on roll, including 315 in the Sixth Form.

Reference and Administrative Details

Reference and administrative details are given on pages 2 and 3. Details of the Trustees who served during the period are included in the Reference and Administrative Details on page 2.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Trust's company Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of the Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Surrey Heath Education Trust and currently operates as Tomlinscote School and Sixth Form College.

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 Trust has purchased insurance underwritten by Zurich Municipal to protect Trustees from claims arising from negligent acts, errors or omissions whilst on Trust business. The insurance provides cover up to £5 million on any one claim. There were no third party indemnity provisions during the period July 2013 to August 2014.

Surrey Heath Education Trust

Trustees' Report

Method of Recruitment and Appointment or Election of Trustees

Type of Trustee (Director)	Name	Number/Proportion	Appointed/Elected by	Article Number
Chief Operating Officer	Mr I Hylan		Automatic	57
Parent Directors	Mrs R Catt Mrs C Funnell Mr P Mann Mrs H Manning Mrs L Nicholas Mrs E Russell Mr P Wharrad	Minimum 2 Maximum 7	Elected by parents of students at the school.	54
Community Directors	Mr P Bagshaw Mr R Coyne Dr. K Foster Mr N Hall Mr A Johnson Mr R Paton Prof. A Sterr	Up to 7	Appointed by Directors	58
Staff Directors	Mr I Jarrett Miss H Livesey Mr R Sutton	Up to 3 (not more than one third of the total number of Directors)	Elected by staff at the school	47
Co-opted		Up to 1	Appointed by Directors	59

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

Surrey Heath Education Trust

Trustees' Report

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:

- Leadership and Management Forum
- Finance & Facilities
- Teaching & Learning
- People
- 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.

Connected Organisations including Related Party Relationships

The Trust is in a Soft Federation with Kings International College, Camberley, Surrey. The Trust's Executive Principal is also the Executive Principal for Kings International and during this period spent two days per week working for Kings. The Trust is also 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 and colleges within SHAPE.

Objectives and Activities

Objects and Aims

The object of the Trust is set out in the company 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".

Surrey Heath Education Trust

Trustees' Report

Objectives for 2013-14, Strategies and Activities

The Board of Trustees has set the Trust's strategic aims in respect of the schools within its control through the School Development Plan. These aims are monitored closely by the Board of Trustees by way of Executive Principal and Senior Leadership Team Reports and through the work of the sub committees. During the Academic Year 2013-14, the Trust aimed to further raise the quality of Learning and Teaching through a development plan which had the following priorities:

1. **Student Progression:** Improving attainment and progress across all key stages by the development of a culture of achievement, improved monitoring and the utilisation of intervention strategies where required.
2. **Teaching & Learning:** Development of pedagogical approaches to further challenge and inspire students.
3. **Behaviour and Personal Development:** Increasing utilisation of reward systems, restorative justice, attendance management and consideration of the Social and Emotional aspects of Learning.
4. **Leadership and Management:** Using "Leaders of Learning" to achieve an ethos of continuous improvement that is monitored through an effective system of Performance Management and supported through the further development of leadership skills for both staff and students.
5. **Internationalism:** Further developing the International aspect of the school.
6. **Partnerships:** Improving utilisation of the links through the Soft Federation with Kings International, Parents' Forum, SHAPE and Community.
7. **Corporate Support:** Improving and utilising the Finance, Human Resources, Facilities and IT resources to support the effective delivery of learning.

Public Benefit

In setting objectives and planning the Trust's activities, the Board of Trustees has paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

During the financial year, the Trust 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 Trust successfully increased the size of its Sixth Form to enable 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.

Strategic Report

Achievements and Performance

Achievements and Performance in the Year 2013-14

The main activity during the period under review was to continue to ensure that students' attainment and achievement at Tomlinscote School and Sixth Form College (the school) was outstanding.

Significant achievements include:

- The improvement in GCSE performance evident in the 2013 results was sustained and built on during this reporting period. The national changes to the performance measures makes comparisons difficult but using a 'like for like' measure, 78% of students have gained at least five grade Cs or above, including Maths and English. This is an increase of 3% from 2013 and one of 17% since the results of 2012.

Surrey Heath Education Trust

Trustees' Report

- Of particular note are the strong progress measures reflecting how much 'value added' occurs during the time students are in the main school. The very high percentages for both 'expected progress' and 'more than expected progress' in both English and Maths are very encouraging.
- Pressure also continues to be exerted to reduce the gap between students who are disadvantaged and other students. These gaps are smaller than found nationally, particularly for progress measures. This reflects the effective use of the additional funding provided to support these students.
- Sixth Form results combine A-levels and Vocational Courses. Attainment figures continue to be strong and the excellent progress is shown by the national value added measure. This is almost a fifth of a grade per entry higher than national and was the fifth highest of all institutions in Surrey.
- A review of support staff roles has been completed. Staffing changes have taken place including the recruitment of an Attendance Officer, Student Support Officers and an HR Manager. These specialist staff release teachers and provide an enhanced level of service to the school community.
- An extensive programme of extra-curricular learning activities has taken place, the highlight of which was a four week expedition to Uganda. The school community made a number of significant contributions to giving events including work with Disability Initiative, Rag Week, Help for Heroes and the Hampshire Air Ambulance.

Key Performance Indicators

The school was last inspected by Ofsted in May 2011 when it was judged to be Outstanding. There have been two revisions to the Inspection Framework since this time, both of which have significantly raised expectations of all judgements. Of the 654 secondary inspections carried out in this reporting period, only 49 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 (80% Good+ and just over a third Outstanding) aligned to a broad curriculum that includes languages for all students and access to high quality, on site, vocational provision. The opportunities for international and work related experience are extensive and accessed by a wide range of students. The 'Leaders of Learning', 'Good to Outstanding' and 'National Professional Qualification for Middle Leadership' programmes are examples of the ways in which good learning is developed.

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. 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 – Federation and other links).

This judgement is limited to Good for two reasons. Firstly learning does not yet maximise the contributions students can make and secondly the school believes achievement across all ages needs to consistently match the best achieved in the school.

Surrey Heath Education Trust

Trustees' Report

Since school targets for this reporting period were set in December 2012, the basis of reporting results has been changed from using the 'first result' to the 'best result'.

*Therefore, figures for 2013 and 2014 are not comparable.

Early reporting suggests that the national headline figure for % 5+ A*-C including English and Maths has fallen to 54% in 2014.

2014 GCSE targets in the school were:

5+ A* - C inc. English and Maths	78%
Expected progress – English	83%
Expected progress – Maths	79%
English Baccalaureate	45%
5+ grades at A* - C	85%

Tables 1 and 2 provide a summary of the school's performance in the Summer 2013 and 2014 examination seasons:

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

Year	2013	2014 *
No. of students	269	268
3+ grades at A* - A	34%	32%
5+ grades at A* - C	78%	79%
5+ A* - C inc. English and Maths	75% (60%)	75%
Best 8 subjects points score	353 (338)	351
English Baccalaureate	50% (22%)	38%
Expected progress - English	85% (69%)	85%
Expected progress - Maths	83% (70%)	85%
More than expected progress English	41% (30%)	38%
More than expected progress Maths	49% (32%)	39%

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

Year	2013	2014
No. of students	80	72
A* - A	16%	24%
A* - B	49% (51%)	44%
A* - E	100% (99%)	98%
Average points per student	720 (733)	699
Average points per entry	222 (223)	225

Pupil Attendance:

2013 – 94.7% (National 94.1%)

2014 - 95.4% (Attendance target was 95%)

Persistent Absence (missing more than 15% of sessions)

2013 – 5.1% (National 6.6%)

2014 - Actual 3.8% (Target was 5%)

Surrey Heath Education Trust

Trustees' Report

Going Concern

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

Financial Review

The Trust received income into its Unrestricted Fund, Restricted General Funds, Restricted Funds Other and Fixed Asset Fund during 2013/14:

Restricted General Fund

The majority of the Trust's income was received through Education Funding Agency (EFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Trust's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the Statement of Financial Activities. General Restricted Fund income for the year was £8,188,159 Expenditure against the fund was £8,567,613, giving a restricted revenue fund carry forward of -£379,454 before transfers from the Restricted Funds and accounting for the pension deficit.

Unrestricted Funds

Income received into the Unrestricted Fund was £1,716,465. This was predominantly attributable to the funding from the Local Authority on conversion and school funds. Expenditure against the fund was £330,119 for the year, giving an Unrestricted Fund carry forward of £1,386,346 before transfers to the Restricted Funds.

Restricted Fixed Asset (Capital) Fund

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's depreciation policy.

The Statement of Financial Activities details a £21,540,838 Restricted Fixed Asset Fund year-end carry forward after transfers between funds. This is detailed in note 13 to the financial statements.

Reserves Policy

The Trustees have reviewed the reserves of the Trust. 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% of total funding and income has been identified. The Trustees' 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 reserves as at 31st August 2014 were £847,967.

Surrey Heath Education Trust

Trustees' Report

Investment Policy

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

Principal Risks and Uncertainties

The Board of Trustees 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 Trustees has implemented a number of systems to assess and reduce risks that the Trust face, 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 Trust has an effective system of internal financial control as explained in the Governance Statement.

Plans for Future Periods

The Trust's prime focus is to continue to help our students make as much progress – academically, socially and culturally – as possible. GCSE results in the last two years have been high and students of all abilities and backgrounds have made significant progress. We continue to believe that all students benefit from studying languages to examination at GCSE. We also believe in the value of vocational courses from Level 1 to the equivalent of A-level. The superb Vocational Centre is a marvellous environment in which to learn with many students combining A-level and Vocational programmes.

In the immediate future, Tomlinscote's Sixth Form College is focussing on maximising achievement at AS and A level while looking forward to the changes to courses from 2015 onwards.

The Surrey Heath Education Trust is working with local schools with the intention of expanding the number of academies in the Trust. The aim is to develop local provision through partnership with schools from the primary and secondary phases while also developing greater integration with local businesses. 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.

Surrey Heath Education Trust Trustees' Report

Funds Held as Custodian Trustee on Behalf of Others

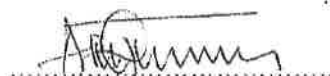
The Trust does not act as third party custodial trustee.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust'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.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the Company Directors, on 17th December 2014 and signed on the Board's behalf by:


Mr A Johnson, Chair

Surrey Heath Education Trust

Governance Statement

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 that 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 **six** times during the period. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Paul Bagshaw (Community Director)	6	6
Rachel Catt (term ended September 13)	0	n/a
Ray Coyne (Community Director)	5	6
Keith Foster (Community Director)	5	6
Claire Funnell (Parent Director)	5	6
Nigel Hall (Community Director, SHET Member, Vice Chair)	2	6
Ian Hylan (Executive Principal)	6	6
Ian Jarrett (non-teaching Staff Director)	5	6
Andy Johnson (Community Director, SHET Member, Chair)	5	6
Helene Livesey (Staff Director)	5	6
Rob Major (Associate; Head of School)	6	6
Phil Mann (Parent Director, elected Dec 13)	4	5
Helen Manning (Parent Director)	6	6
Louise Nicholas (Parent Director, SHET Member, Vice Chair)	6	6
Bob Paton (Community Director)	2	6
Emily Russell (Parent Director, elected Dec 13)	3	5
Annette Sterr (Community Director)	5	6
Richard Sutton (Staff Director)	3	6
Peter Wharrad (Parent Director)	6	6

Surrey Heath Education Trust

Governance Statement

The **Finance and Facilities committee** is a sub-committee of the main Board of Trustees. Its purpose is to:

- Review costings and short, medium and long term financial projections in conjunction with other committees when required.
- Present an annual budget and a report for approval to the full Governors' meeting at the appropriate time.
- Regularly review the school's financial position.
- Achieve and maintain the Schools Financial Value Standard (SFVS).
- 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.
- Carry out a review of the School Infrastructure Management and Development Plan annually.
- Carry out a Review of the School Health and Safety Policy annually.

Attendance at meetings in the period was as follows:

Trustee	Meetings Attended	Out of a possible
R Coyne (Community Director)	5	5
I Hylan (Executive Principal)	5	5
I Jarrett (non-teaching Staff Director)	2	5
A Johnson (SHET Member, CoG)	4	5
A Poole (School Bus Mgr, Co. Secretary)	5	5
J Simms (SLT, appointed April 13)	4	5
M Wainscott (Bursar)	5	5
P Wharrad (Parent Director)	3	5

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 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 **23 July 2013 to 31 August 2014** and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period **23 July 2013 to 31 August 2014** and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Surrey Heath Education Trust

Governance Statement

The Risk and Control Framework

The 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; and
- identification and management of risks.

The **internal auditor's** role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, Babcock 4S 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 Board of Trustees' financial responsibilities.

Two visits and reports were completed in 2013-14.

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 financial management and governance self-assessment process; and
- the work of the Executive Managers within the 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 members of the Board of Trustees on 17th December 2014 and signed on its behalf by:



Mr A. Johnson, Chair



Mr I Hylan, Executive Principal and Accounting Officer

Surrey Heath Education Trust

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.



.....
Mr I Hylan, Executive Principal and Accounting Officer

Date: 17th December 2014

Surrey Heath Education Trust

Statement of Trustees' Responsibilities

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

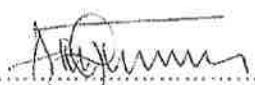
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 financial statements 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 grants received from 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on December 2014 and signed on its behalf by:


Mr A Johnson, Chair

Surrey Heath Education Trust

Independent Auditors' Report on the Financial Statements to the Members of Surrey Heath Education Trust

We have audited the financial statements of Surrey Heath Education Trust for the period ended 31 August 2014 on pages 22 to 45. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the Trustees (who are also the Directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion, the information given in the Trustees' Report incorporating the Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Surrey Heath Education Trust

Independent Auditors' Report on the Financial Statements 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:

- the Trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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

Mr Kevin Walmsley (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy LLP, Statutory Auditor
Gladstone House
77-79 High Street
Egham
Surrey TW20 9HY

18 December 2014

Surrey Heath Education Trust

Independent Reporting Accountants' 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 2013 to 2014, 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 23 July 2013 to 31 August 2014 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 July 2013 and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 23 July 2013 to 31 August 2014 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 2013 to 2014 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 Surrey Heath Education Trust's income and expenditure.

Surrey Heath Education Trust

Independent Reporting Accountants' Assurance Report on Regularity to Surrey Heath Education Trust and the Education Funding Agency

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.

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 23 July 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

W. Elkins Kennedy LLP

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

18 December 2014

Surrey Heath Education Trust
Statement of Financial Activities
(including Income & Expenditure Account and Statement of
Total Recognised Gains & Losses)
for the period ended 31 August 2014

		<u>Thirteen month period ended 31 August 2014</u>			
		Unrestricted	Restricted Funds		Total
		Funds	General	Fixed Assets	2014
Notes		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income – upon conversion	1	1,095,263	(1,633,046)	22,005,569	21,467,786
Voluntary income – other	1	93,965	127,463	-	221,428
Activities for generating funds	2	9,216	-	-	9,216
Investment income	3	2,718	-	-	2,718
Incoming resources from charitable activities					
Academy educational operations	4	515,303	8,060,696	-	8,575,999
TOTAL INCOMING RESOURCES		1,716,465	6,555,113	22,005,569	30,277,147
RESOURCES EXPENDED					
Charitable activities					
Academy educational operations	5	330,119	8,527,148	508,139	9,365,406
Governance costs	6	-	40,465	-	40,465
TOTAL RESOURCES EXPENDED		330,119	8,567,613	508,139	9,405,871
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
		1,386,346	(2,012,500)	21,497,430	20,871,276
TRANSFERS					
Gross transfers between funds		(538,379)	494,971	43,408	-
NET INCOME/(EXPENDITURE) FOR THE PERIOD					
		847,967	(1,517,529)	21,540,838	20,871,276
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial losses on defined benefit pension schemes	12	-	(447,000)	-	(447,000)
NET MOVEMENT IN FUNDS		847,967	(1,964,529)	21,540,838	20,424,276
RECONCILIATION OF FUNDS					
Fund balances brought forward at 23 July 2013		-	-	-	-
FUND BALANCES CARRIED FORWARD AT 31 AUGUST 2014	13	847,967	(1,964,529)	21,540,838	20,424,276

The net movement in funds for the period arises from the Trust's acquired operations.

Surrey Heath Education Trust


Balance Sheet

as at 31 August 2014

Company number: 08621310

	Notes	2014 £
FIXED ASSETS		
Tangible assets	9	21,540,838
CURRENT ASSETS		
Debtors	10	480,683
Cash at bank and in hand		1,366,847
		<u>1,847,530</u>
LIABILITIES		
Creditors: Amounts falling due within one year	11	(686,092)
NET CURRENT ASSETS		<u>1,161,438</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS EXCLUDING PENSION LIABILITY		<u>22,702,276</u>
Defined benefit pension scheme liability	12	(2,278,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>20,424,276</u> =====
THE FUNDS OF THE ACADEMY		
Restricted fixed assets funds	13	21,540,838
Restricted general funds – LGPS deficit fund	13	(2,278,000)
Restricted general funds – other	13	313,471
		<u>19,576,309</u>
Unrestricted income funds	13	847,967
TOTAL ACADEMY FUNDS	14	<u>20,424,276</u> =====

The financial statements on pages 22 to 45 were approved by the Trustees and authorised for issue on
December 2014, and are signed on their behalf by


Mr A Johnson, Chair

17th
..... December 2014

Surrey Heath Education Trust

Cash Flow Statement

for the period ended 31 August 2014

	Notes	2014 £
NET CASH FLOW FROM OPERATING ACTIVITIES		
Net incoming resources and net income for the period		20,871,276
Depreciation		508,139
Capital grant income		(49,369)
Non-cash movement – Inherited fixed assets		(22,005,569)
Non-cash movement – Inherited pension deficit		1,871,000
FRS17 pension cost less contributions payable		(107,000)
FRS17 pension finance costs		67,000
Increase in debtors		(480,683)
Increase in creditors		686,092
		<hr/> 1,360,886
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets		(43,408)
Capital grant income		49,369
		<hr/> 5,961
INCREASE IN CASH	15 & 16	<hr/> 1,366,847 =====

All of the Trust's cash flows for the period arose from acquired operations. Cash balances of £1,095,263 were acquired upon conversion to academy status.

Surrey Heath Education Trust

Statement of Accounting Policies

BASIS OF ACCOUNTING

The financial statements have been prepared to comply with current statutory requirements (principally being the Companies Act 2006, the Charities Act 2011, and the Charity (Accounts and Reports) Regulations 2008), under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice. The recommendations and guidance in *Academies Accounts Direction 2013 to 2014* issued by the Education Funding Agency and in *Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005)* issued by the Charity Commission have been followed. A summary of the principal accounting policies, which have been applied consistently, is set out below.

GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future and in particular for at least twelve months from the date of approval of these financial statements. For this reason, the Trust continues to adopt the going concern basis in preparing the financial statements.

INCOMING RESOURCES

General donations and other similar types of voluntary income are brought into account when receivable and donated income is included gross of any attributable tax recoverable, where relevant. Donated assets, donated services and gifts in kind are recognised in the statement of financial activities at their fair value to the Trust in the period in which they are receivable, and where the benefit to the Trust is both quantifiable and material.

Grants receivable for tuition and other wider educational activities, other operating and activity income, lettings income, and investment income are accounted for on an accruals basis. Income is recognised as receivable and excluding any relevant Value Added Tax when earned.

The General Annual Grant ('the GAG') from the Department for Education, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the statement of financial activities, as incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as income from academy educational operations on a receivable basis to the extent there is entitlement. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

All sources of income given for specific purposes are treated as restricted income.

Surrey Heath Education Trust

Statement of Accounting Policies

RESOURCES EXPENDED

Expenditure is recognised in the period in which the rights and obligations that relate to goods received by or services performed for the Trust are materially fulfilled, with the relevant liability to pay the suppliers concerned being recognised as a liability. Resources expended are therefore generally recognised in the period in which they are incurred and include any elements of irrecoverable Value Added Tax.

Resources expended are allocated to the Trust's principal activity or to governance costs, where the costs involved can be identified as being directly related to those categories. All other costs are categorised as support costs and are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Governance costs are the costs associated with running the Trust as a charitable company, and include costs attributable to the Trust's compliance with constitutional and statutory requirements. In particular they include a proportion of legal and professional fees, audit fees and certain specific other costs.

TAXATION

The Trust is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for United Kingdom corporation tax purposes. Accordingly, the 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.

TANGIBLE FIXED ASSETS

All tangible assets purchased that have a cost that exceeds £3,000 and an expected useful economic life that exceeds one year are capitalised and classified as fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	- over 15 to 50 years
Plant and machinery	- over 4 to 10 years

LEASED ASSETS AND OBLIGATIONS

All of the Trust's leases are "operating leases" and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

Surrey Heath Education Trust

Statement of Accounting Policies

PENSION BENEFITS

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme England and Wales ("TPS") and the Surrey Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the 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 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 12, the TPS is a multi-employer scheme and the 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 recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the 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.

FUND ACCOUNTING

Unrestricted funds comprise the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objectives of the Trust and at the discretion of the Trustees.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the Trustees. The use of designated funds remains at the discretion of the Trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the year end are carried forward in the balance sheet.

Restricted fixed assets funds are resources which are to be applied to specific capital purposes imposed by the funders where the assets acquired or created are tangible fixed assets. Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency and the Department for Education.

Surrey Heath Education Trust

Statement of Accounting Policies

CONVERSION TO AN ACADEMY TRUST

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

The assets and liabilities transferred upon conversion from the foundation school, Tomlinscote School, to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Surrey Heath Education Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the statement of financial activities and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transaction are set out in note 21 to the financial statements.

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

Thirteen month period ended 31 August 2014			
Unrestricted Funds	Restricted Funds		Total 2014
£	General	Fixed Assets	£
	£	£	

1. VOLUNTARY INCOME

Assets and liabilities inherited upon conversion:

Agreed cash settlements	1,095,263	-	-	1,095,263
Capital contributions	-	237,954	-	237,954
Fixed assets inherited	-	-	22,005,569	22,005,569
Local government pension scheme deficit	-	(1,871,000)	-	(1,871,000)

	1,095,263	(1,633,046)	22,005,569	21,467,786
Donation income	93,965	127,463	-	221,428
	1,189,228	(1,505,583)	22,005,569	21,689,214
	=====	=====	=====	=====

2. ACTIVITIES FOR GENERATING FUNDS

Sundry lettings and hire of facilities	9,216	-	-	9,216
	=====	=====	=====	=====

3. INVESTMENT INCOME

Income arising from operating leases	1,352	-	-	1,352
Bank interest receivable on short term cash deposits	1,366	-	-	1,366
	2,718	-	-	2,718
	=====	=====	=====	=====

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

Thirteen month period ended 31 August 2014				
	Unrestricted	Restricted Funds		Total
	Funds	General	Fixed Assets	2014
	£	£	£	£
4. ACADEMY EDUCATIONAL OPERATIONS				
Core academy funding:				
General Annual Grant (GAG)	-	7,414,611	-	7,414,611
Rates and insurance income	-	76,886	-	76,886
Start-up grant	-	25,000	-	25,000
Other government funding:				
Pupil premium income	-	111,060	-	111,060
Special Educational Needs income	-	214,247	-	214,247
16-19 Bursary income	-	20,439	-	20,439
Other school income:				
Capital contributions	-	49,369	-	49,369
Other activity income	515,303	149,084	-	664,387
	<u>515,303</u>	<u>8,060,696</u>	<u>-</u>	<u>8,575,999</u>
	=====	=====	=====	=====

5. RESOURCES EXPENDED

Thirteen month period ended 31 August 2014				
	Staff	Non-Pay Expenditure		Total
	Costs	Premises	Other	2014
	£	£	£	£
Academy's educational operations:				
Direct costs	5,837,089	404,012	1,379,055	7,614,756
Allocated support costs	652,638	670,766	421,846	1,745,250
	<u>6,489,727</u>	<u>1,074,788</u>	<u>1,800,901</u>	<u>9,365,406</u>
Governance costs including allocated support costs	-	-	40,465	40,465
	<u>6,489,727</u>	<u>1,074,788</u>	<u>1,841,366</u>	<u>9,405,871</u>
	=====	=====	=====	=====

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

5. RESOURCES EXPENDED (Continued)

Thirteen month period ended 31 August 2014

	Unrestricted funds £	Restricted funds £	Total 2014 £
Direct costs:			
Teaching and educational support staff costs	-	5,837,089	5,837,089
Depreciation – owned assets	-	404,012	404,012
Technology costs – operating lease rentals:			
Plant and machinery	-	163,135	163,135
Technology costs – other	-	161,279	161,279
Education supplies – operating lease rentals:			
Plant and machinery	-	6,560	6,560
Education supplies – other	285,772	415,386	701,158
Examination fees	-	183,997	183,997
Staff training	-	33,693	33,693
Other direct costs	-	129,233	129,233
	<u>285,772</u>	<u>7,334,384</u>	<u>7,620,156</u>
Allocated support costs:			
Support staff costs	-	652,638	652,638
Staff advertising and recruitment	-	45,619	45,619
Depreciation – owned assets	-	104,127	104,127
Maintenance of premises and equipment	-	165,762	165,762
Cleaning	-	162,159	162,159
Rates, utilities and insurance	10,632	332,213	342,845
Legal and professional fees	-	96,071	90,071
Net finance expense on pension scheme assets and liabilities – see note 11	-	67,000	67,000
Other support costs	33,715	75,314	109,589
	<u>44,347</u>	<u>1,700,903</u>	<u>1,745,250</u>
	<u>330,119</u>	<u>9,035,287</u>	<u>9,365,406</u>
	=====	=====	=====

There are no transactions, included in resources expended above, that relate to ex-gratia/compensation payments, gifts made by the Trust, fixed asset losses, stock losses, unrecoverable debts or cash losses.

6. GOVERNANCE COSTS

Thirteen month period ended 31 August 2014

	Unrestricted funds £	Restricted funds £	Total 2014 £
Legal and professional fees	-	29,905	29,905
Auditor's remuneration:			
Audit fees – financial statements audit	-	9,500	9,500
Audit fees – regularity audit	-	500	500
Other support costs	-	560	560
	<u>-</u>	<u>40,465</u>	<u>40,465</u>
	=====	=====	=====

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

7. STAFF COSTS	2014
	No.
The average monthly number of persons employed by the Trust (excluding Trustees) during the period, was as follows:	
Teaching	115
Administration and Support	77
Management	6
	<u>198</u>
	=====
	No.
The average monthly number of persons employed by the Trust (excluding Trustees) during the period, expressed as full time equivalents, was as follows:	
Teaching	97
Administration and Support	59
Management	6
	<u>162</u>
	=====
	£
Staff costs for the above persons:	
Wages and salaries	5,103,885
Social security costs	378,695
Pension costs - defined benefit schemes:	
Teachers' Pension Scheme	527,021
Local Government Pension Scheme	284,592
Temporary and agency staff costs	195,534
	<u>6,489,727</u>
	=====

There were no staff severance payments made during the period.

	No.
The number of employees whose emoluments for the period exceeded £60,000 fell within the following ranges:	
£70,001 to £80,000	1
£120,001 to £130,000	1
	<u>2</u>
	=====

The Trust made contributions to pension schemes on behalf of all employees whose emoluments exceeded £60,000, and the total contributions payable to the Teachers' Pension Scheme during the period amounted to £28,245.

No other member of staff received total emoluments in excess of £60,000 during the period.

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

7. STAFF COSTS (Continued)

TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees.

In addition to being the Accounting Officer (and also a Trustee), Ian Hylan was the Principal. In respect of his role as Principal, he received emoluments for qualifying services and the Trust incurred pension costs in respect of the pension benefits accruing to him under the Teachers' Pension Scheme.

The value of Trustees' remuneration, including employer pension contributions, fell within the following £5,000 bands:

Ian Hylan (Executive Principal):	£135,000 to £140,000
Ian Jarrett, Helen Livesey and Richard Sutton (Staff Trustees):	£142,350

Other than as disclosed above, none of the Trustees received any remuneration for services as a trustee of the charity or as a director of the company during the period.

Two Trustees received reimbursement for travel expenses incurred in relation to the Trust during the period totalling £560.

GOVERNORS' AND OFFICERS' INSURANCE

The Trust has taken out an insurance policy that includes professional indemnity insurance cover for the Governors and staff of the academy trust. The insurance provides cover to the value of £5 million in respect of any one claim. For the period ended 31 August 2014, the total cost to the charitable company of this insurance policy was £1,662.

8. CENTRAL SERVICES

No central services were provided by the Trust to its academies during the period and no central charges arose.

Surrey Heath Education Trust
Notes to the Financial Statements
for the period ended 31 August 2014

9. TANGIBLE ASSETS

	Freehold land and buildings £	Plant and machinery £	TOTAL £
Cost and valuation:			
23 July 2013	-	-	-
Inherited upon conversion	21,460,220	545,349	22,005,569
Additions	4,888	38,520	43,408
31 August 2014	<u>21,465,108</u>	<u>583,869</u>	<u>22,048,977</u>
Depreciation:			
23 July 2013	-	-	-
Charge in the year	404,012	104,127	508,139
31 August 2014	<u>404,012</u>	<u>104,127</u>	<u>508,139</u>
Net book value:			
31 August 2014	<u>21,061,096</u>	<u>479,742</u>	<u>21,540,838</u>

The premises inherited by the Trust upon conversion to academy trust status were valued on 1 September 2013 at £21,460,220 on an existing use value basis and a depreciated replacement costs basis by DVS Property Specialists.

The cost of the above tangible assets was funded by: £

Fixed assets inherited upon conversion	22,005,569
General Annual Grant	43,408
	<u>22,048,977</u>

The value of freehold land included in the above is £7,630,800, which is not depreciated.

	2014
	£
10. DEBTORS	
Amounts falling due within one year:	
Other debtors	339,150
Prepayments and accrued income	141,533
	<u>480,683</u>

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

2014

£

11. CREDITORS

Amounts falling due within one year:

Trade creditors	213,683
Other tax and social security costs	118,397
Pension contributions payable	111,006
Accruals and deferred income	243,006

686,092

=====

Deferred income – academy educational operations:

Deferred income brought forward

-

Deferred income released to the statement of financial activities

-

Income received in advance during the period

198,465

Deferred income carried forward

198,465

=====

The deferred income relates to funding for trips and departmental activities that are scheduled to be undertaken in the following financial period.

12. PENSION AND SIMILAR OBLIGATIONS

Retirement benefits to employees of the Trust are provided by 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. These are defined benefit schemes and the assets are held separately from those of the Trust.

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

There were no prepaid pension contributions at either the beginning or the end of the financial year and outstanding contributions payable are disclosed within creditors above.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

Surrey Heath Education Trust

Notes to the Financial Statements for the period ended 31 August 2014

12. PENSION AND SIMILAR OBLIGATIONS (Continued)

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

12. PENSION AND SIMILAR OBLIGATIONS (Continued)

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate 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.

There will be further reforms and changes to the TPS with a new 2015 scheme.

Under the definitions set out in Financial Reporting Standard 17: Retirement Benefits (FRS 17), the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and 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 Trust's Surrey Local Government Pension Scheme obligation relates to the employees of the Trust who were the employees transferred as part of the conversion from maintained school and new employees who were eligible to and did join the scheme during the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

The Trust is able to identify its share of the underlying assets and liabilities of the Surrey Local Government Pension Scheme, and therefore, the accounting principles relevant to defined benefit pension schemes are applicable. The amount charged to the statement of financial activities in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the accounting period, adjusted to reflect variations from that cost. The interest cost and expected return on the underlying assets and liabilities of the pension scheme are treated as a net finance income or expense for the period.

Full actuarial valuations, carried out by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The underlying assets of the pension scheme are measured at fair value, and the underlying liabilities are measured using the projected unit method and discounted at the current rate of return on high quality corporate bond of equivalent term and currency.

A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by a reduction in future contributions or to the extent that the trustees of the pension scheme have agreed a refund from the pension scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the Trust has a legal or Trust's pension scheme asset or liability is therefore reflected annually in the balance sheet and through the statement of financial activities.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Trust 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 latest actuarial valuation dated 31 March 2013 has been updated to take account of the requirements of Financial Reporting Standard 17: Retirement Benefits in order to assess the liabilities of the scheme as at 31 August 2014. Scheme assets are stated at their fair value.

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

12. PENSION AND SIMILAR OBLIGATIONS (Continued)

The employer contribution rate has been set at 29.9% for the period 1 April 2014 to 31 March 2015 and 30.4% for the period 1 April 2015 to 31 March 2016, with an employee contribution rate which is variable by salary and by employee. On that basis, the anticipated employer payments required to be made to the scheme in the coming year amount to £314,000.

The major assumptions used by the actuary were:

	2014
Rate of increase in salaries	3.9%
Rate of increase in pensions in payment	2.6%
Discount rate	3.7%
Inflation assumption - rpi	3.4%
- cpi	2.6%
	=====

In the June 2010 Emergency Budget, the government announced that public sector pension increases would in the future be linked to the consumer prices index (cpi) rather than the retail prices index (rpi). The government has since formally implemented this proposal and a legal challenge was rejected. The assumption regarding future pension increases is therefore linked to cpi. It is currently estimated that cpi will on average be approximately 0.8% below rpi, but recent developments suggest this gap may close over time due to planned changes in the way in which cpi and rpi are calculated. As a new employer within the scheme, the Trust has been unaffected by the change from rpi to cpi.

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

	2014
Retiring today –	
Males	22.5 years
Females	24.6 years
Retiring in 20 years –	
Males	24.5 years
Females	26.9 years
	=====

The assets in the scheme and the expected rate of return were:

	Expected return on total assets at 31 August 2014	Value at 31 August 2014
		£ %
Equities	6.3%	1,182,000 (77%)
Bonds	3.2%	261,000 (17%)
Property	4.5%	77,000 (5%)
Cash	3.3%	15,000 (1%)
Total market value of assets		1,535,000
Present value of scheme liabilities		(3,813,000)
Deficit in the scheme		(2,278,000)
		=====

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

12. **PENSION AND SIMILAR OBLIGATIONS (Continued)**

2014
£

Analysis of the amount charged to the statement of financial activities -

As staff costs:

Current service cost

284,000

Past service cost

-

Total operating charge

284,000

As finance expense:

Expected return on assets

(69,000)

Interest on liabilities

136,000

Net finance expense

67,000

Total pension costs

351,000

The net actuarial gains for the current period end to date are recognised in the statement of financial activities.

2014
£

Analysis of changes in the present value of defined benefit obligations:

Opening defined benefit obligations

-

Inherited upon conversion

2,790,000

Employee contributions

78,000

Current service cost

284,000

Past service benefit

-

Interest on liabilities

136,000

Actuarial losses

525,000

Benefits paid

-

Closing defined benefit obligations

3,813,000

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

12. **PENSION AND SIMILAR OBLIGATIONS (Continued)**

	2014 £
Analysis of changes in the fair value of plan assets:	
Opening fair value of assets	-
Inherited upon conversion	919,000
Employer contributions	391,000
Employee contributions	78,000
Expected return on assets	69,000
Actuarial gains	78,000
Benefits paid	-
Closing fair value of assets	<u>1,535,000</u> =====

The actual return on plan assets was £147,000.

	2014 £
Experience adjustments are as follows:	
Amounts for the period:	
Plan assets at fair value	1,535,000
Defined benefit obligation	(3,813,000)
Deficit	<u>(2,278,000)</u> =====
Experience adjustments on plan assets	<u>78,000</u> =====
Experience adjustments on plan liabilities	<u>-</u> =====

	2014 £
Reconciliation of the movement in scheme deficit over the period:	
Deficit in scheme at the beginning of the period	-
Inherited upon conversion	(1,871,000)
Movement in year:	
Current service cost	(284,000)
Past service cost	-
Employer contributions	391,000
Net finance expense	(67,000)
Actuarial losses	(447,000)
Deficit in scheme at the end of the period	<u>(2,278,000)</u> =====

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

13. THE FUNDS OF THE ACADEMY

	23 July 2013 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Actuarial losses £	31 August 2014 £
Restricted fixed assets funds:						
Inherited fixed assets fund	-	22,005,569	(505,125)	-	-	21,500,444
General Annual Grant fixed assets fund	-	-	(3,014)	43,408	-	40,394
	<u>-</u>	<u>22,005,569</u>	<u>(502,739)</u>	<u>43,408</u>	<u>-</u>	<u>21,540,838</u>
Restricted general funds:						
General Annual Grant fund	-	7,563,695	(7,805,241)	241,546	-	-
Rates and insurance fund	-	76,886	(102,412)	25,526	-	-
Start-up grant fund	-	25,000	(29,905)	4,905	-	-
LGPS deficit fund	-	(1,871,000)	40,000	-	(447,000)	(2,278,000)
Capital fund	-	287,323	-	-	-	287,323
Pupil premium fund	-	111,060	(88,302)	-	-	22,758
Special Educational Needs fund	-	214,247	(401,569)	187,322	-	-
16-19 Bursary fund	-	20,439	(17,049)	-	-	3,390
Laptop fund	-	127,463	(163,135)	35,672	-	-
	<u>-</u>	<u>6,555,113</u>	<u>(8,567,613)</u>	<u>494,971</u>	<u>(447,000)</u>	<u>(1,964,529)</u>
Unrestricted income funds:						
General fund	-	1,716,465	(330,119)	(538,379)	-	847,967
	<u>-</u>	<u>30,277,147</u>	<u>(9,405,871)</u>	<u>-</u>	<u>(447,000)</u>	<u>20,424,276</u>
	=====	=====	=====	=====	=====	=====

The Inherited fixed assets fund has been set up to recognise the tangible assets gifted to the Trust upon conversion to academy status which represent the school site including the freehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The General Annual Grant fixed assets fund has been set up to recognise the tangible assets purchased by the Trust following conversion that have been funded from the General Annual Grant. This fund has been created by a transfer from the General Annual Grant fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

13. THE FUNDS OF THE ACADEMY (Continued)

The General Annual Grant (GAG) represents the core funding for the educational activities of the Trust that has been provided to the Trust via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to limits on the amount of GAG that it could carry forward at the balance sheet date.

The Rates and insurance fund has been created to recognise the restricted funding received from the Education Funding Agency to cover the cost to the Trust of rates and insurance.

The Start-up grant fund has been created to recognise the restricted grant funding received from the Department for Education to assist with the costs incurred during the process of conversion to academy status.

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Capital fund has been created to recognise the restricted capital contributions received from all sources towards capital expenditure projects undertaken throughout the Trust.

The Pupil premium fund has been created to recognise the restricted income received from the Education Funding Agency that is intended to be used to partially fund the additional costs incurred by the Trust in meeting the educational needs of some of its pupils. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.

The Special Educational Needs fund has been created to recognise all other restricted income from various sources that is intended to be used to partially fund the additional costs incurred by the Trust in meeting the educational needs of some of its pupils. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.

The 16-19 Bursary fund has been created to recognise restricted funding which enables the Trust to provide mandatory bursaries under the Department for Education scheme for certain categories of qualifying student as well as discretionary payments awarded by the Trustees to other students in need of support.

The Laptop fund has been created to recognise the restricted funding received from parents to partially fund the costs of leased laptops which are supplied to pupils. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from unrestricted reserves.

The remaining transfers between funds relate to overspends, including those on the General Annual Grant fund, being covered by a transfer from unrestricted reserves.

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

13. THE FUNDS OF THE ACADEMY (Continued)

Analysis of academies by fund balance

	Total £
Closing fund balances as at 31 August 2014 were distributed as follows:	
Tomlinscote School	1,161,438
Total fund balances before fixed assets and pension reserve	<u>1,161,438</u>
Restricted fixed assets funds	21,540,838
Pension reserve	(2,278,000)
Total fund balances	<u><u>20,424,276</u></u>

Analysis of academies by cost

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total £
Tomlinscote School	5,837,089	652,638	707,718	1,700,287	8,897,732
Central services	-	-	-	-	-
	<u>5,837,089</u>	<u>652,638</u>	<u>707,718</u>	<u>1,700,287</u>	<u><u>8,897,732</u></u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Net current assets £	Pension scheme liability £	Total £
Restricted fixed assets funds:				
Inherited fixed assets fund	21,500,444	-	-	21,500,444
General Annual Grant fixed assets fund	40,394	-	-	40,394
Restricted general funds:				
LGPS deficit fund	-	-	(2,278,000)	(2,278,000)
Capital grants fund	-	287,323	-	287,323
Pupil premium fund	-	22,758	-	22,758
16-19 Bursary fund	-	3,390	-	3,390
Unrestricted income funds:				
General fund	-	847,967	-	847,967
NET ASSETS	<u><u>21,540,838</u></u>	<u><u>1,161,438</u></u>	<u><u>(2,278,000)</u></u>	<u><u>20,424,276</u></u>

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

2014
£

15. RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET FUNDS

Increase in cash in the period	1,366,847
Other non-cash changes	-
CHANGE IN NET FUNDS	<u>1,366,847</u>
Net funds at 23 July 2013	-
NET FUNDS AT 31 AUGUST 2014	<u>1,366,847</u> =====

16. ANALYSIS OF CHANGES IN NET FUNDS

	23 July 2013 £	Cash flows £	Other non-cash changes £	31 August 2014 £
Net cash:				
Cash in hand, at bank	-	1,366,847	-	1,366,847
NET FUNDS	<u>-</u> =====	<u>1,366,847</u> =====	<u>-</u> =====	<u>1,366,847</u> =====

17. MEMBERS' LIABILITY

Surrey Heath Education Trust is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

18. CAPITAL COMMITMENTS

At the balance sheet date, the Trust had no commitments to any capital expenditure.

19. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2014, the Trust was committed to make the following payments during the next year under non-cancellable operating leases:	
In respect of plant and machinery leases -	
expiring within one year	43,521
expiring within two to five years	47,406
	<u>=====</u>

2014
£

Surrey Heath Education Trust

Notes to the Financial Statements

for the period ended 31 August 2014

20. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, it is considered inevitable that transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations would, of course, be conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

During the period the Academy made recharges of staff costs of £61,576 to Kings International College and purchases of £8,119 in respect of the supply of teaching and training costs. Kings International College is a related party as they share the Executive Principal.

During the period the Academy made recharges of £128,974 to Surrey Heath Area Partnership for Education (SHAPE), which related to recharge of staff costs and the use of facilities; and purchases of £30,226 in respect of the recharge of expenses and staff costs. SHAPE is a consortium of five schools and one further education college of which the Academy is a member.

21. CONVERSION TO ACADEMY STATUS

On 1 September 2013, Tomlinscote School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Trust from Surrey County Council for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

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

Thirteen month period ended 31 August 2014			
	Unrestricted Funds	Restricted Funds	Total 2014
	£	General £	Fixed Assets £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income			
Tangible fixed assets:			
Freehold land and buildings	-	-	21,460,220
Other assets	-	-	545,349
Cash at bank and in hand	1,095,263	-	1,095,263
Other current assets	-	237,954	237,954
LGPS pension deficit	-	(1,871,000)	(1,871,000)
NET ASSETS	1,095,263	(1,633,046)	22,005,569
	21,467,786		