

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

LANDAU BAKER LIMITED

Chartered Accountants & Statutory Auditors

Mountcliff House

154 Brent Street

London

NW4 2DR

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members	Sir Pritpal Singh Ms Christine Fortune Dr Lee Richards
Trustees	Sir Pritpal Singh, Head Teacher Ms Patricia Eldrid, Governor Ms Christine Fortune, Chair Mr Jonathan Eva, Governor Dr Lee Richards, Vice Chair Ms Sandy Yates, Governor (resigned 23 October 2014) Ms Julie Hadwin, Parent Governor Mrs Helen Vogt, Parent Governor Mr Eamonn Whelan, Staff Governor Mrs Annette Gormally, Staff Governor Mr Ian McDermott, Staff Governor Dr Waljit Dhillon, Parent Governor Mrs Sahra Osman, Parent Governor Mrs Catherine Williamson, Governor
Company registered number	07698859
Principal and registered office	1 Ashley Road Altringham London WA14 2DT
Company secretary	Oakwood Corporate Services Ltd & Sandra Scott
Senior management team	Sir Pritpal Singh, Head Teacher Mr Eamonn Whelan, Senior Deputy Head Teacher Mrs Sian Dowden, Deputy Head Teacher Mr Chris Killen, Assistant Deputy Head Teacher Mr Stuart Burnaby, Senior Teacher Ms Lindsay Patience, Senior Teacher Ms Lisa Mills, Senior Teacher (resigned 31 December 2015) Mr Chris Holbrook, Senior Teacher Ms Karlene Dampha, Senior Teacher
Independent auditors	Landau Baker Limited Chartered Accountants Mountcliff House 154 Brent Street London NW4 2DR
Bankers	Lloyds TSB plc 25 Gresham Street London EC2V 7HN

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2015

Administrative details (continued)

Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
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DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's report 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.

Structure, governance and management

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association (dated 8 July 2011) are the primary governing documents of the academy trust. The trustees of Drayton Manor High School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Drayton Manor High School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

The principal activity of the academy is to advance, for the public benefit, education in particular and without prejudice to the generality of the forgoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

The members may appoint up to 14 Governors.

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

The LA may appoint the LA Governor

The Principal shall be treated for all purposes as being an ex officio Governor.

Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.

The Governing Body shall make all necessary arrangements for and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, vote at the election and given an opportunity to do so.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of parents standing for election is less than the number of vacancies.

In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The Governors may appoint up to 3 co-opted Governors. A "Co-opted Governor" means a person who is appointed to be a Governor by being Co-opted by Governors who have themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Principal).

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

During the period under review, the governors held 5 full governing body meetings. In addition there were regular meetings covering business and finance, premises and curriculum and personnel. The training and induction provided for new governors will depend on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

e. ORGANISATIONAL STRUCTURE

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the governors and the executive who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The Head is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The Head assumes the accounting officer role.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The academy is the founding member of the Drayton Manor High School Academy Trust which is a separate Trust where Drayton Manor Academy is the only member. The Trust undertakes educational support activities.

g. TRUSTEES' INDEMNITIES

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the academy is the operation of Drayton Manor High School to provide a broad and balanced education for pupils of all abilities. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy. In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government specifies, amongst other things, that the Academy will be at the heart of the community promoting community cohesion and sharing facilities; the basis for admitting students to the Academy, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

- o The Academy's main strategy is encompassed in the Academy's objectives and activities which are
- o To promote the maximum possible development of individual students' talents and potential within a tolerant and caring community
- o To help students to develop a lively, enquiring mind and the ability to question, to argue rationally and to apply themselves to tasks and physical skills
- o To help students to acquire in all areas of the curriculum the knowledge, understanding and skills relevant to adult life, employment and leisure in a fast changing world
- o To help students to use language and number effectively
- o To promote equal opportunities for all to counter racism, sexism and all other forms of discrimination whenever they occur
- o To encourage respect for religious and moral values and tolerance of other races, religions and ways of life
- o To help students to understand the world in which they live and the interdependence of individuals, groups and nations, including awareness of economic and environmental issues
- o To help students in the development of their personal and social skills.

c. PUBLIC BENEFIT

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. As an academy we make the best use of our skills, expertise and experience with regards to the community by providing facilities for community use and raising money for charity.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

a. KEY FINANCIAL PERFORMANCE INDICATORS

Drayton Manor High School opened as an academy in August 2011 and was judged Outstanding in its latest Ofsted inspection in May 2012.

A Level Examination Results

30% of all entries were graded at A* or A and 82% were graded at A* - C. The average point score per student was 793 (National 683) and per subject was 223 (National 212) and 19% of our Year 13 students achieved grades AAB or higher in at least two facilitating subjects. These are traditional A level subjects that are often required by top universities, ie English, Maths, Language, Humanities and Sciences. This measure of success is now included in the school performance tables.

129 students have gained a place at university and almost half of the year group have gone to a Russell Group University.

GCSE Examination Results

66% of students achieved five or more A* - C grades (National 56%) and 74% gained five or more A* - C grades (National 66%). 99% gained five or more A* - G grades. 45% achieved the English Baccalaureate measure. The E Bacc recognizes where students have secured a C grade or better across a core of academic subjects. These are English, Mathematics, two sciences, History or Geography and a language. By comparison, the national E Bacc average this year was 24%.

b. 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 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

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

During the period, EFA/LA grants received totalled £11,159,041 (2014: £12,626,717). Other income included within restricted funds totalled £83,207 (2014: £86,148). Restricted fund expenditure totalled to £9,710,713 (2014: £9,599,277).

The main source of unrestricted income is donations, totaling to £21,056 (2014: £30,315).

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12 month period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Academy also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for 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.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Academy has a healthy balance sheet and cash flow and in line with its Reserves policy may allocate reserves in excess of between 3% - 5% to capital projects approved by the governing body.

The Governors through the Business and Finance Committee and Head Teacher receive financial progress reports throughout the year and compare against budgets submitted to the Education Funding Agency. The Finance Committee also review longer term financial models to plan and organise resources most effectively to fulfil the aims of the Academy.

b. RESERVES POLICY

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review annually in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £27,377,940 (2014: £26,886,327). This balance includes unrestricted funds (free reserves) of £626,573 (2014: £470,745), which is considered appropriate for the Academy Trust, and restricted funds of £28,417,367 (2014: £27,968,582).

Restricted funds have been designated by the Governing Body as follows:

- o To contribute to the E Building replacement works and other capital projects.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognises a significant pension fund deficit totaling to £1,666,000 (2014: £1,553,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

c. INVESTMENT POLICY

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. The school will not invest in the Stock Market or speculative investments without the approval of the full governing body.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

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

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit of £1,666,000 at 31 August 2015.

a. FUTURE DEVELOPMENTS

The Academy will continue to pursue its objectives and activities.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and/or its trustees did not act as custodian trustee during the current or previous period.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the trustees are aware:

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

Trustees' report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2015 and signed on the board's behalf by:



Ms Christine Fortune
Chair of Trustees

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Drayton Manor High School Academy 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 Head Teacher, 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 Drayton Manor High School Academy 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 Trustees' responsibilities statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Sir Pritpal Singh, Head Teacher	5	5
Ms Patricia Eldrid, Governor	5	5
Ms Christine Fortune, Chair	4	5
Mr Jonathan Eva, Governor	4	5
Dr Lee Richards, Vice Chair	5	5
Ms Sandy Yates, Governor	0	1
Ms Julie Hadwin, Parent Governor	4	5
Mrs Helen Vogt, Parent Governor	5	5
Mr Eamonn Whelan, Staff Governor	4	5
Mrs Annette Gormally, Staff Governor	5	5
Mr Ian McDermott, Staff Governor	1	5
Dr Waljit Dhillon, Parent Governor	4	5
Mrs Sahra Osman, Parent Governor	4	5
Mrs Catherine Williamson, Governor	5	5

Governors typically also serve on a number of other sub committees, as set out on the school website.

The impact of each Governing Body Committee is reviewed and monitored through the Strategic Plans and Risk Assessments that each committee produces annually and reviews regularly.

No key findings were noted during the period.

The Business and Finance committee is a sub-committee of the main board of trustees. Its purpose is to make sure that the Academy is following the EFA's financial regulations. No significant issues to note were dealt with during the year .

No significant issues to note were dealt with during the year/period.
Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Sir Pritpal Singh	4	4
Mr Jonathan Eva	4	4
Dr Lee Richards	4	4
Mrs Annette Gormally	4	4

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GOVERNANCE STATEMENT (continued)

The audit committee is incorporated within the Business and Finance committee is also a sub-committee of the main board of trustees. Its purpose is to:

- o monitor the integrity of the financial statements
- o review internal financial controls and risk management systems;
- o make recommendations to the Governing Body in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor;
- o reviewing the auditor's independence and objectivity;

No significant issues to note were dealt with during the year.

Attendance at meetings in the year matched that of the Business and Finance committee above.

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the trust's use of its resources has provided good value for money during 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:

- recruitment of qualified high-quality teachers and efficient and effective use of resources and facilities

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Drayton Manor High School Academy Trust for the year 1 September 2014 to 31 August 2015 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 academy 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's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Business and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

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GOVERNANCE STATEMENT (continued)

- 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 RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Landau Baker, the external auditor, to perform additional checks.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a bi-annual basis, Landau Baker the auditor reports to the Board of trustees, through the Business and Finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Board can confirm that the reviewer has delivered their schedule of work as planned, provided details of any material control issues arising as a result of the their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors and internal auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Business and Finance 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 18 December 2015 and signed on its behalf, by:

Ms Christine Fortune, Chairman
Trustee

Sir Pritpal Singh, Head Teacher
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Drayton Manor High School Academy Trust I have considered my responsibility to notify the academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook..

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

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



Sir Pritpal Singh, Head Teacher
Accounting Officer

Date: 18 December 2015

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Drayton Manor High School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements 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 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:

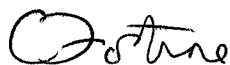
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 18 December 2015 and signed on its behalf by:



Ms Christine Fortune, Chairman
Chair of Trustees

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DRAYTON MANOR HIGH SCHOOL
ACADEMY TRUST**

We have audited the financial statements of Drayton Manor High School Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Drayton Manor High School Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Drayton Manor High School Academy 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 Drayton Manor High School Academy Trust's members for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DRAYTON MANOR HIGH SCHOOL
ACADEMY TRUST**

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

The company has not disclosed:

- a. the number of employees whose emoluments fell within bands over £60,000.
- b. the remuneration of staff governors and their respective employer's pension contributions, who were trustees during the period, in bands of £5,000.

This disclosure is required by the Academies Accounts Direction 2014/15 and the Charities SORP (2005). The disclosure has not been prepared by management and is otherwise not readily available to the auditor.

QUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or 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.

Michael Durst for Landau Baker Limited

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
18 December 2015

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DRAYTON
MANOR HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 October 2011 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 Drayton Manor High School Academy Trust during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Drayton Manor High School Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Drayton Manor High School Academy Trust and 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 Drayton Manor High School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

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

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

APPROACH

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

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

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

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

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DRAYTON
MANOR HIGH SCHOOL ACADEMY 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 year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 18 December 2015

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	21,056	-	-	21,056	30,315
Activities for generating funds	3	134,772	83,207	-	217,979	205,001
Incoming resources from charitable activities	4	-	10,227,030	932,011	11,159,041	12,626,717
TOTAL INCOMING RESOURCES		155,828	10,310,237	932,011	11,398,076	12,862,033
RESOURCES EXPENDED						
Charitable activities	9	-	9,670,462	1,131,750	10,802,212	9,882,400
Governance costs	5	-	40,251	-	40,251	59,937
TOTAL RESOURCES EXPENDED	8	-	9,710,713	1,131,750	10,842,463	9,942,337
NET INCOMING RESOURCES BEFORE REVALUATIONS		155,828	599,524	(199,739)	555,613	2,919,696
Actuarial gains and losses on defined benefit pension schemes		-	(64,000)	-	(64,000)	(149,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		155,828	535,524	(199,739)	491,613	2,770,696
<i>Total funds at 1 September 2014</i>		<i>470,745</i>	<i>360,778</i>	<i>26,054,804</i>	<i>26,886,327</i>	<i>24,115,631</i>
TOTAL FUNDS AT 31 AUGUST 2015		626,573	896,302	25,855,065	27,377,940	26,886,327

All activities relate to continuing operations.

All of the academy trust's activities derive from acquisitions in the current financial period.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 22 to 38 form part of these financial statements.

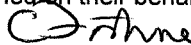
DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 07698859

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		25,554,882		26,054,804
CURRENT ASSETS					
Debtors	15	1,263,008		781,252	
Cash at bank		2,703,252		2,125,944	
		<u>3,966,260</u>		<u>2,907,196</u>	
CREDITORS: amounts falling due within one year	16	<u>(477,202)</u>		<u>(522,673)</u>	
NET CURRENT ASSETS			<u>3,489,058</u>		<u>2,384,523</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>29,043,940</u>		<u>28,439,327</u>
Defined benefit pension scheme liability	22		<u>(1,666,000)</u>		<u>(1,553,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>27,377,940</u></u>		<u><u>26,886,327</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	2,562,302		1,913,778	
Restricted fixed asset funds	17	25,855,065		26,054,804	
		<u>28,417,367</u>		<u>27,968,582</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(1,666,000)</u>		<u>(1,553,000)</u>	
Total restricted funds			<u>26,751,367</u>		<u>26,415,582</u>
Unrestricted funds	17		<u>626,573</u>		<u>470,745</u>
TOTAL FUNDS			<u><u>27,377,940</u></u>		<u><u>26,886,327</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 18 December 2015 and are signed on their behalf, by:


Ms Christine Fortune, Chairman
Chair of Trustees

The notes on pages 22 to 38 form part of these financial statements.

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	19	1,209,137	2,051,450
Capital expenditure and financial investment	20	(631,829)	(3,128,775)
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u><u>577,308</u></u>	<u><u>(1,077,325)</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase/(Decrease) in cash in the year	<u>577,308</u>	<u>(1,077,325)</u>
MOVEMENT IN NET FUNDS IN THE YEAR	577,308	(1,077,325)
Net funds at 1 September 2014	<u>2,125,944</u>	<u>3,203,269</u>
NET FUNDS AT 31 AUGUST 2015	<u><u>2,703,252</u></u>	<u><u>2,125,944</u></u>

The notes on pages 22 to 38 form part of these financial statements.

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Department for Education.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

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.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy'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 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 academy 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 financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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 are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 Years
Fixtures and fittings	-	10 Years
Computer equipment	-	4 Years

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.7 Taxation

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

1.8 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the 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 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 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 25.

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	21,056	-	21,056	30,315

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Exam Fee Income	-	17,701	17,701	7,553
Trips Income	-	65,506	65,506	78,595
Lettings Income	90,398	-	90,398	85,180
Bank Interest	2,852	-	2,852	3,554
Rent of Caretakers House	3,650	-	3,650	3,650
Other Income	36,957	-	36,957	25,959
Swimming fee Income	915	-	915	510
	<u>134,772</u>	<u>83,207</u>	<u>217,979</u>	<u>205,001</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational Operations	-	11,159,041	11,159,041	12,626,717

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Drayton Manor High School Academy Trust

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
General Annual Grant (GAG)	-	9,333,336	9,333,336	9,498,693
Pupil Premium - EFA	-	586,388	586,388	678,853
Bursary Fund	-	44,106	44,106	66,551
Capital Grant	-	932,011	932,011	2,121,493
Other EFA Grants	-	121,359	121,359	36,704
	-	<u>11,017,200</u>	<u>11,017,200</u>	<u>12,402,294</u>
Other government grants				
Pupil Premium LA	-	650	650	5,700
SEN Funding	-	134,191	134,191	201,458
Other Government Grant	-	7,000	7,000	17,265
	-	<u>141,841</u>	<u>141,841</u>	<u>224,423</u>
	-	<u><u>11,159,041</u></u>	<u><u>11,159,041</u></u>	<u><u>12,626,717</u></u>

5. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	4,000	4,000	4,000
Legal and Professional Fees	-	31,251	31,251	52,386
Academy Setup cost	-	5,000	5,000	3,551
	-	<u>40,251</u>	<u>40,251</u>	<u>59,937</u>

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

6. DIRECT COSTS

	Educational Operations	Total 2015	Total 2014
Pension finance expense - LGPS	58,000	58,000	55,000
Educational Supplies	436,342	436,342	382,142
Educational Consultancy	25,090	25,090	29,521
Agency Supply	269,044	269,044	459,274
Exam Fees	160,053	160,053	147,710
Other Support Cost	37,499	37,499	23,219
Security & Maintenance	-	-	1,146
Staff Development	45,300	45,300	36,785
Wages and salaries	4,778,581	4,778,581	4,563,591
National insurance	418,456	418,456	394,511
Pension cost	585,826	585,826	545,628
Depreciation	1,131,750	1,131,750	343,060
	<u>7,945,941</u>	<u>7,945,941</u>	<u>6,981,587</u>

7. SUPPORT COSTS

	Educational Operations	Total 2015	Total 2014
Maintenance of Premises & Equipment	368,233	368,233	317,339
Educational Supplies	55,861	55,861	66,436
Water & Rates	51,811	51,811	46,275
Agency Supply	29,716	29,716	57,473
Bank Charges	-	-	10
Insurance	82,260	82,260	81,015
Catering Expenses	90,630	90,630	116,490
Recruitment	84,760	84,760	139,750
Other Support Cost	106,397	106,397	96,080
Security & Maintenance	51,278	51,278	95,786
Other Admin Supply	19,172	19,172	12,966
Cleaning	41,316	41,316	36,232
School Trips	87,116	87,116	120,141
Professional Fees	8,950	8,950	84,398
Ground Maintenance	42,388	42,388	46,060
Wages and salaries	1,440,661	1,440,661	1,340,806
National insurance	71,572	71,572	72,927
Pension cost	224,150	224,150	170,629
	<u>2,856,271</u>	<u>2,856,271</u>	<u>2,900,813</u>

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Other costs	Total	<i>Total</i>
	2015	2015	2015	2014
	£	£	£	£
Direct costs - Educational Operations	6,051,907	1,894,034	7,945,941	6,981,587
Support costs - Educational Operations	1,766,099	1,090,172	2,856,271	2,900,813
Charitable activities	7,818,006	2,984,206	10,802,212	9,882,400
Governance	-	40,251	40,251	59,937
	7,818,006	3,024,457	10,842,463	9,942,337

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	<i>Total</i>
	2015	2015	2015	2014
	£	£	£	£
Educational Operations	7,945,941	2,856,271	10,802,212	9,882,400

10. NET INCOMING RESOURCES

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	1,131,750	343,060
Auditors' remuneration	4,000	4,000
Governance Responsible Officer fee	-	-
Operating lease rentals:		
- plant and machinery	18,453	18,453

DRAYTON MANOR HIGH SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	6,219,242	5,904,397
Social security costs	490,028	467,438
Other pension costs (Note 22)	809,976	716,257
	7,519,246	7,088,092
Supply teacher costs	298,760	516,747
	7,818,006	7,604,839

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Management	12	12
Teachers	97	89
Support Staff	46	50
	155	151

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy 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 £2,090 (2014 - £2,660). The cost of this insurance is included in the total insurance cost.

13. OTHER FINANCE INCOME

	2015 £	2014 £
Expected return on pension scheme assets	28,000	27,000
Interest on pension scheme liabilities	(86,000)	(82,000)
	(58,000)	(55,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2014	26,886,735	10,060	139,146	27,035,941
Additions	528,915	4,777	98,137	631,829
At 31 August 2015	<u>27,415,650</u>	<u>14,837</u>	<u>237,283</u>	<u>27,667,770</u>
Depreciation				
At 1 September 2014	938,363	3,208	39,566	981,137
Charge for the year	1,070,656	1,774	59,321	1,131,751
At 31 August 2015	<u>2,009,019</u>	<u>4,982</u>	<u>98,887</u>	<u>2,112,888</u>
Net book value				
At 31 August 2015	<u>25,406,631</u>	<u>9,855</u>	<u>138,396</u>	<u>25,554,882</u>
At 31 August 2014	<u>25,948,372</u>	<u>6,852</u>	<u>99,580</u>	<u>26,054,804</u>

15. DEBTORS

	2015 £	2014 £
Trade debtors	20,054	33,885
Other debtors	969,923	557,390
Prepayments and accrued income	273,031	189,977
	<u>1,263,008</u>	<u>781,252</u>

**16. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	63,446	137,312
Other taxation and social security	264,039	244,038
Accruals and deferred income	149,717	141,323
	<u>477,202</u>	<u>522,673</u>

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16. CREDITORS:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2014	83,725
Resources deferred during the year	83,514
Amounts released from previous years	<u>(83,725)</u>
Deferred income at 31 August 2015	<u><u>83,514</u></u>

At the balance sheet date the academy was holding funds received in advance with regards to the EFA bursary grant totalling to £16,926 and trip and other income totalling to £66,588.

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17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
Other Donations	470,745	155,828	-	-	626,573
Restricted funds					
Restricted Funds - all funds	1,913,778	10,310,237	(9,661,713)	-	2,562,302
Pension reserve	(1,553,000)	-	(49,000)	(64,000)	(1,666,000)
	<u>360,778</u>	<u>10,310,237</u>	<u>(9,710,713)</u>	<u>(64,000)</u>	<u>896,302</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds - all funds	26,054,804	932,011	(1,131,750)	-	25,855,065
Total restricted funds	<u>26,415,582</u>	<u>11,242,248</u>	<u>(10,842,463)</u>	<u>(64,000)</u>	<u>26,751,367</u>
Total of funds	<u><u>26,886,327</u></u>	<u><u>11,398,076</u></u>	<u><u>(10,842,463)</u></u>	<u><u>(64,000)</u></u>	<u><u>27,377,940</u></u>

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes.

Restricted general funds are resources for educational purposes.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	470,745	155,828	-	-	626,573
Restricted funds	360,778	10,310,237	(9,710,713)	(64,000)	896,302
Restricted fixed asset funds	26,054,804	932,011	(1,131,750)	-	25,855,065
	<u>26,886,327</u>	<u>11,398,076</u>	<u>(10,842,463)</u>	<u>(64,000)</u>	<u>27,377,940</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	25,554,882	25,554,882	26,054,804
Current assets	626,573	3,039,504	300,183	3,966,260	2,907,196
Creditors due within one year	-	(477,202)	-	(477,202)	(522,673)
Provisions for liabilities and charges	-	(1,666,000)	-	(1,666,000)	(1,553,000)
	<u>626,573</u>	<u>896,302</u>	<u>25,855,065</u>	<u>27,377,940</u>	<u>26,886,327</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	555,613	2,919,696
Depreciation of tangible fixed assets	1,131,751	343,061
Increase in debtors	(481,756)	(500,803)
Decrease in creditors	(45,471)	(771,504)
FRS 17 adjustments	49,000	61,000
Net cash inflow from operations	<u>1,209,137</u>	<u>2,051,450</u>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(631,829)</u>	<u>(3,128,775)</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	2,125,944	577,308	-	2,703,252
Net funds	<u>2,125,944</u>	<u>577,308</u>	<u>-</u>	<u>2,703,252</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2015.

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

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, 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' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed

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22. PENSION COMMITMENTS (continued)

TPS.

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

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy 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 academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £244,000, of which employer's contributions totalled £190,000 and employees' contributions totalled £54,000. The agreed contribution rates for future years are 19.6% for employers and 5.5 - 7.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,343,000)	(2,053,000)
Fair value of scheme assets	677,000	500,000
Net liability	<u>(1,666,000)</u>	<u>(1,553,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(181,000)	(168,000)
Interest on obligation	(86,000)	(82,000)
Expected return on scheme assets	28,000	27,000
Total	(239,000)	(223,000)
Actual return on scheme assets	7,000	57,000

Movements in the present value of the defined benefit obligation were as follows:

	2015 £	2014 £
Opening defined benefit obligation	2,053,000	1,741,000
Current service cost	181,000	168,000
Interest cost	86,000	82,000
Contributions by scheme participants	54,000	52,000
Actuarial Losses	43,000	62,000
Benefits paid	(74,000)	(52,000)
Closing defined benefit obligation	2,343,000	2,053,000

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

	2015 £	2014 £
Opening fair value of scheme assets	500,000	398,000
Expected return on assets	28,000	27,000
Actuarial gains and (losses)	(21,000)	(87,000)
Contributions by employer	190,000	162,000
Contributions by employees	54,000	52,000
Benefits paid	(74,000)	(52,000)
Total	677,000	500,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £64,000 (2014 - £149,000).

The academy expects to contribute £195,000 to its Defined benefit pension scheme in 2016.

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22. PENSION COMMITMENTS (continued)

	2015	2014
Equities	62.60 %	67.10 %
Other Bond	23.70 %	26.00 %
Property	- %	6.20 %
Cash	0.50 %	0.10 %
Other	3.20 %	6.80 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Rate of increase in salaries	4.05 %	3.95 %
Rate of increase for pensions in payment / inflation	2.30 %	2.20 %
Inflation assumption (CPI)	2.30 %	2.20 %

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

	2015	2014
Retiring today		
Males	23.0	22.9
Females	25.5	25.4
Retiring in 20 years		
Males	25.2	25.1
Females	27.9	27.8

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015	2014
	£	£
Defined benefit obligation	(2,343,000)	(2,053,000)
Scheme assets	677,000	500,000
Deficit	<u>(1,666,000)</u>	<u>(1,553,000)</u>
Experience adjustments on scheme liabilities	<u>(43,000)</u>	<u>(62,000)</u>
Experience adjustments on scheme assets	<u>(21,000)</u>	<u>(87,000)</u>

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23. OPERATING LEASE COMMITMENTS

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

	2015	2014
	£	£
Expiry date:		
Between 2 and 5 years	18,453	18,453

24. RELATED PARTY TRANSACTIONS

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

There were no related party transactions in the period.

25. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £17,817 and disbursed £nil from the fund. The bursary grant received, after the deduction of relevant administration expenses, has been deferred at the year end. An amount of £nil is included in other creditors relating to undistributed funds that is repayable to EFA.