

Company Number: 08276210 (England and Wales)



WORTHING HIGH SCHOOL
A Company Limited by Guarantee

Annual Report and Financial Statements

Year ended 31 August 2015

WORTHING HIGH SCHOOL A COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATIVE INFORMATION

Governors:

Mr A Cohen	Chairman
Dr J Bull	Vice Chair
Mrs C Dickinson (staff)	Headteacher and Accounting Officer
Mr M Bidelux (Parent)	Governor
Mr R Cohen	Governor
Mrs J Fillery (staff)	Governor
Mrs R Gurdine (parent)	Governor
Mrs H Hall	Governor
Mr P Hoiback (parent)	Governor
Mrs S Lanz	Governor
Mrs J McHale (staff)	Governor
Mr P Mott	Governor
Mr P Noone (parent)	Governor
Mr R Price	Governor
Mrs N Thompson (parent)	Governor

Company Secretary Mrs K Hayler

Company number 08276210

Senior Management Team:

Headteacher Mrs C Dickinson

Deputy Headteacher Mr M Hillier

Core Assistant Headteachers
Mr P Slaughter
Ms S Ayres
Mr T Flower
Mrs L Loney

Business Development
Manager Mrs K Hayler

Principle & Registered Office: Worthing High School
South Farm Road
Worthing
BN14 7AR

Independent Auditors: Russell New Limited
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

WORTHING HIGH SCHOOL A COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers: Lloyds
41-43 South Street
Worthing
West Sussex
BN11 3AU

Solicitors: Stone King LLP
16 St John's Lane
London
EC1M 4BS

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
FOR THE YEAR ENDED 31 AUGUST 2015**

WORTHING HIGH SCHOOL

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WORTHING HIGH SCHOOL A COMPANY LIMITED BY GUARANTEE GOVERNORS' REPORT (INCORPORATING A STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2015

GOVERNORS' REPORT

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

The trust operates an academy for students aged 12-16, years 8-11. It has a capacity of 1,050 and a roll of 777 as at 31st August 2015. Worthing High is a mixed comprehensive school and one of five secondary schools in the town of Worthing. We converted to academy status in December 2012 and have a non-selective policy.

The main principle of admission to Worthing High School is to maintain the character of the school as a comprehensive school with a calm and purposeful learning ethos, providing for the needs of young persons within the 12-16 age range, who live in Worthing and the surrounding areas.

From September 2015 Worthing High School became an 11-16 school, taking Year 7 students for the first time following the Worthing Age of Transfer project. In addition, a new secondary school opened in Worthing, making a total of six secondary schools in the town.

Structure, Governance and Management

Constitution

The Academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees' of Worthing High School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Worthing High School.

Details of the trustees who served during the year are included in the Legal and Administrative Details.

Members' Liability

Each trustee of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up whilst they are a member, or within a 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

There were no indemnities in place during the accounting period.

Method of Recruitment and Appointment or Election of Governors

The membership of the Governing Body is determined by the Memorandum and Articles of Association of the company. All Members are governors and trustees.

The membership of the body may also include one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, and the Secretary of State shall have the right from time to time by written notice to the Office to remove any Member appointed by him and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

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The Members may appoint up to six Governors subject to article 50A. The total number of Governors who are employees of Worthing High School must not exceed one third of the total number of Governors.

A Parent Governor must be a parent of a pupil at the school when they are elected. Subject to Article 57 Parent Governors shall be elected by parents of registered pupils at the school. Elections are held when the number of nominations exceeds the number of vacancies.

Staff Governors shall be elected by staff members of Worthing High School. One post is reserved for teaching staff and one for support staff. Elections are held when the number of nominations exceeds the number of vacancies.

The Governors may co-opt up to three additional Governors (article 59).

The Governing Body shall be:

- up to six Governors, appointed under Article 50 which must not include any members of staff at the Academy;
- a minimum of two and up to four Parent Governors appointed under Articles 53-58;
- up to two Staff Governors, comprising one teacher and one support staff, subject to Article 50A;
- the Principal (known as Head Teacher);
- any Additional Governors, if appointed under Article 62, 62A or 68A; and
- any Further Governors, if appointed under Article 63 or Article 68A.

Policies and Procedures Adopted for the Induction and Training of Trustees

Worthing High School provides a comprehensive programme of training and support for all Trustee/Members. Worthing High School is also a member of the Specialist Schools and Academies Trust (SSAT) which also provides additional training. Trustees are subject to a Disclosure Baring Service (DBS) check. The Headteacher, Chairman, Link Governor and Clerk to Governors provide a comprehensive induction for all new governors as outlined in the Academy New Governor Induction Checklist.

Organisational Structure

The Board of Directors/Trustees/Governors is constituted under the Memorandum and Articles of Association which govern Worthing High School. The trustees are responsible for ensuring that high standards of corporate governance are maintained.

The Board of Trustees meets eleven times a year. Two sub panels Audit Panel and Staffing Panel meet a minimum of once a year each. The Terms of Reference for these panels have been agreed by the trustees and are published on the school website.

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The Headteacher is the Accounting Officer at Worthing High School. The Headteacher is appointed by the Trustees to manage the day to day operation of Worthing High School. In order to facilitate effective operations the Headteacher and the Business Development Manager have delegated authority within the terms approved by the trustees for operational matters including educational, finance and employment matters.

The decision making structure is summarised in the Policy for the Delegation of Financial Powers and Duties of the Governing Body – which is reviewed annually.

The membership of the two sub panels, who served during the accounting period is as follows:

Audit Panel	Staffing Panel
Mr R Cohen - Chairman (until 26/11/14) Mrs L Heasman - Chairman (from 26/11/14) Mr A Cohen, Mrs C Dickinson, Mr R Price, and Mrs D Waring	Mr J Bull – Chairman, Mr A Cohen, Mrs S Lanz, Mrs C Dickinson, Mrs H Hall, Mr P Hoibak and Mr K Jenkins (until 26.11.14)

Related Parties and other Connected Charities and Organisations

Worthing High School is a stand alone academy and has no sponsoring partner. Worthing High School does not form part of a Federation or MAT.

Worthing High School is a member of PiXL, Southdowns Alliance and Millais Alliance.

OBJECTIVES AND ACTIVITIES

The Academy Trust's principle activities ("**the Objects**") are outlined in the Articles of Association.

At Worthing High School we believe that we can offer all of these things. Everyone at Worthing High has worked very hard to create a close community of learners in which there is a clear focus upon raising standards of student achievement.

The school continues to gain an excellent reputation for the achievements of our students whether academic, sporting or cultural. The school is greatly valued by the community it serves and is a very popular choice for prospective students and their parents.

A marked feature of the school is the happy, friendly, caring family ethos which enables our students to settle quickly. We believe that this is vital if students are to achieve their full potential. As a school we have high standards for our students– maximum effort and excellent levels of achievement are encouraged and expected. It is through such expectations that our students are set high targets which they go on to achieve. Worthing High thrives on being a community in the true sense of the term as it seeks to achieve a partnership between governors, teachers, parents and students as well as with our wider partners.

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Students also gain from an outstanding programme of enrichment activities that are extensive, fulfilling and diverse. The broad, balanced and relevant curriculum provided by the school serves to ensure that opportunities are available to enable pupils to fully develop their interests and talents.

Objectives, Strategies and Activities

Our focus in 2014-15 has been "Getting to Good". Our strategic objectives for 2014-15 were:

1. Raise the achievement of all students across all subjects, especially in English.
2. Broaden the staff training programme to include:
 - a. Further opportunities for teachers to learn from best practice both internally and externally
 - b. Opportunities for subject leaders to strengthen their expertise in diagnosing what subject specific skills need to be strengthened in order for achievement within their subject to accelerate –
3. Improve the effectiveness of teaching assistants when deployed to support learning in lessons.
4. Reduce Fixed Term Exclusions figures to the national average, improve the behaviour of a few students at change of lessons and during breaks and ensure poor behaviour is dealt with consistently across all departments.
5. Improve effectiveness of leadership and management by driving forward improvement

During 2014/15 Worthing High School raised over £2,500 for charity including donations to Chestnut Tree Hospice, Macmillan Cancer Support, Women v Cancer and Cancer Research.

Public Benefit

The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission section 17(5) of the Charity Act and the Charities (Accounts and Reports) Regulations 2008. Trustees consider that the Academy Trust's aims are demonstrably to benefit the public, as the academy meets the educational needs of young people living in the local community.

The Trustees have:

- provided a review in the Trustees' Annual Report of the significant activities undertaken by the charity to carry out its charitable purposes for the public benefit
- provided details of purposes and objectives
- provided details of strategies adopted and activities undertaken to achieve those purposes and objectives
- provided details of the achievements by reference to the purposes and objectives set
- included a statement as to whether they have complied with their duty to have due regard to our public benefit guidance when exercising any powers or duties to which the guidance is relevant

STRATEGIC REPORT

Achievements and Performance

The Trustees measure the academy's success partly through a series of performance objectives which are owned by either the Trustees or members of the Extended Leadership Team and the targets and progress of the School Action Plan.

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Key Performance Indicators

Our key performance indicators for 2014/15 were:

- 5+A*-C including English and Maths – 61 %
- English Expected Progress –77 % ;
- Maths Expected Progress –78 %
- Science - 2+ A* - C - 66%
- Pupil Premium - Attainment gap reduced from 29% to 14%
- The Value Added for the school increased to 1,026
- English Baccalaureate - 37 %
- 81% of teachers teaching good+ as at July 2015
- 95% Attendance achieved

Achievements for the Year ended 31 August 2015

- **Admissions and Transition**

- As at 31.8.15 - 777 students on roll
- Active programme of transition work completed with all key feeder middle and primary schools in the locality
- Taster Days for Years 6 students organised in the summer term 2015 with over 300 students and 325 parents attending
- Proactive marketing campaign including bus adverts, newspaper coverage and newly designed prospectus.
- In year leavers during 2014/15 were as follows:

Year Group	F	M	Grand Total
Year 8	8	5	13
Year 9	4	8	12
Year 10	5	8	13
Year 11	2	4	6
Grand Total	19	25	44

- In year admissions during 2014/15 were as follows:

Year Group	F	M	Grand Total
Year 8	2	2	4
Year 9	6	7	13
Year 10	7	7	14
Year 11	10	9	19
Grand Total	25	25	50

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Key Performance Indicators (Financial)

Total salary costs to restricted non fixed asset income 73.7%
Teaching and educational support staff costs to restricted non fixed asset income 61.8%
Support staff costs to restricted non fixed asset income 11.9%
Total Salary costs as % of total expense (non fixed asset) 79%
Pupil teacher/management ratio 13.88
Pupil admin/ education support staff ratio 18.5

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

Continued prudent budgeting has lead the academy to report a small deficit for the 14/15 period of £15,000 (excluding movement on the multi employed defined benefit pension scheme liability). This comprises of an in year unrestricted fund surplus of £63,000 and an in year restricted fund deficit of £78,000. The restricted fund deficit has arisen as a result of the schools continued investment in infrastructure.

During the year the school spent £627,000 on fixed asset additions, £479,000 of which related to the installation of new windows throughout the school which was fully funded by a grant received from the EFA during the 2013/14 financial year.

The school's liability in relation to their defined benefit pension scheme was revalued during the year, increasing from £285,000 to £351,000.

At the balance sheet date the school reports carried forward free reserves (excluding the defined benefit pension scheme liability) of £319,000. These reserves will be used to fund future expenditure.

A balanced budget has been set for 2015/16. A falling roll, with the addition of a Year 7 cohort starting in September 2015 requires continued prudent budgeting.

The principle Financial Management Policy adopted during the year was a Governors' Expenses Policy.

The principle sources of restricted income are from the EFA based mainly on pupil numbers and key stage and WSCC for the Special Support Centre and SEN support for some individual students.

In addition unrestricted income is supplemented by a broad Lettings Programme.

Reserves Policy

The school's reserves policy is to retain sufficient reserves in order to maintain a balanced budget going forward.

For the financial year ended 31 August 2015 the school have met this policy with total reserves carried forward at the balance sheet date of £11.674m of which £319,000 are considered 'free' (excluding the defined benefit pension scheme liability).

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Investment Policy

The school's investment policy is to place any funds over and above those required to be held for the day to day running of the school in fixed term deposit accounts at the discretion of the governors.

During the year ended 31 August 2015 a balance of £10,000 was held in a higher interest deposit account with a 32 day notice period. It is intended that further surplus cash balances will be moved to this account during the year to 31 August 2016.

Principal Risks and Uncertainties

The key financial risks that face the trustees are documented in our Risk Register and they are:

Financial Risk	Risk Description
EFA Funding	Reduction in government spending on education in general and changes by WSCC on grant calculations.
Payroll	Payroll provider fails to pay staff their salary payments due to unforeseen circumstances at WSCC.
Liquidity Risk	The impact of monthly cashflow requirements reduces flexibility to purchase goods or services when required.
Internal Fraud	Risk of an employee committing a fraudulent activity which results in a financial loss.
Budget Forecast	Student roll numbers change in a negative way based on budget predictions.
LGPS Pension Deficit	Risk Description – The impact of the LGPS employers pension contribution review in April 2016 by WSCC which could result in a change to the employer contribution rate and or a request for a lump sum payment.

Risk Management

A comprehensive Business Continuity and Risk Management Policy has been put in place, working in partnership with our insurance broker Marsh, which is reviewed by the Trustees and Senior Leadership Team on a regular basis. The major risks that Worthing High School is exposed to are linked to the seven critical activities, products and services we deliver:

1. Provision of education;
2. Inclusion Support;
3. Business Administration;
4. Safe-guarding;

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5. Pastoral Care and Student Well-being;
6. Estate Management including catering and cleaning; and
7. Exams.

A risk register has been developed which identifies the actions and procedures to mitigate these risks which is reviewed regularly by the Leadership Team and Governing Body.

Financial Risk Management

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

- Comprehensive budgeting and monitoring systems with monthly reports to Trustees
- Clearly defined purchasing and tendering processes
- Identification and management of risks

PLANS FOR FUTURE PERIODS

Worthing High School produces a detailed School Action Plan which focuses on the key objectives and activities for the forthcoming year. The key focus for Worthing High over the next twelve month period is to obtain a grade of "Good" at our next Ofsted Inspection.

Funds held as Custodian Trustee on behalf of Others

No funds are held as a custodian trustee on behalf of others.

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors 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 a strategic report, approved by order of the board of trustees, as the company directors on 16 December 2015 and signed on the board's behalf by:

Signed

**Anthony Cohen
Chairman**

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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

GOVERNANCE STATEMENT

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring Worthing High School 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 Headteacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Worthing High School 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 13 times during the 12 month period of these accounts.

Attendance during the year at main full board meetings of the Board of Trustees was as follows:

Governors	Meetings Attended	Out of possible
Mr A Cohen (Chairman)	13	13
Mr J Bull (Vice Chairman)	13	13
Mrs C Dickinson (Headteacher & Accounting Officer)	13	13
Mrs H Hall	11	13
Mrs S Lanz	11	13
Mr R Cohen	11	13
Mr K Jenkins (until 26.11.14)	2	3
Mr A Lutwyche (until 15.7.15)	13	13
Mr P Hoibak	12	13
Mrs D Waring	11	13
Mrs G Jones (until 22.10.14)	0	1

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Governors	Meetings Attended	Out of a possible
Mr K Price	12	13
Jayne Fillery (from 26.11.14)	8	10
Mark Bideleux (from 28.1.15)	5	7
Peter Mott (from 29.4.15)	2	4

Governance Review

In June 2013 the governors appointed a consultant to complete an external review of Governance at Worthing High School. The purpose of the review was to “Examine the role of the Governing Body and in particular to review structure, decision-making processes and effectiveness.” A further review has been arranged for September 2015.

The Audit Panel is also a sub-committee of the main board of trustees. The Audit Panel has an overarching role of oversight and scrutiny. It is responsible for reviewing the risks to internal control at Worthing High School. The panel delivers an agreed programme of work that addresses any risks, to inform the governance statement that accompanies the school’s annual accounts and so far as it is possible, provide assurance to the external auditors.¹

The Audit Panel has no executive powers or operational responsibilities.

The Audit Panel will be supported by a Responsible Officer, appointed from the Governing Body, who is a non-employed member of the school.

Attendance at meetings in the year was as follows:

Governor	Meeting attended	Out of a possible
Lesley Heasman (chairman)	2	3
Richard Cohen	3	3
Carolyn Dickinson	3	3
Anthony Cohen	3	3
Rhys Price	1	3
Diane Waring	3	3

Review of Value for Money

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

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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 as follows.

The key purpose for Worthing High School to achieve value for money is to ensure our resources are used effectively and efficiently and with probity. This enables us to continuously improve for the benefit of our students.

The Trust has kept staffing resources under constant review during the financial period. A staffing report is presented monthly to Trustees which enables them to discuss current and future vacancies and opportunities to maximise resourcing demands. An Assistant Head Teacher has the responsibility for monitoring the impact of Pupil Premium across the academy. This enables us to complete an individual needs analysis for each Pupil Premium student. The needs analysis is shared with teaching and pastoral colleagues to ensure that targeted support is provided in the identified areas.

The Trust also shares a Ground Maintenance Contract with 3 local schools to reduce procurement costs. In addition, the Trust is a member of the Whole of Worthing (WOW) Schools Absence Insurance contract group which enables a 10% reduction on staff absence insurance due to group buying powers.

The Trust uses the Kent County Council Consortium buying scheme to ensure best value on procurement of energy costs and general educational supplies. The Trust also has an Service Level Agreement (SLA) with West Sussex County Council (WSCC) Supplies Team which gives access to group discount purchase schemes for furniture and stationery items.

In autumn term 2014 new flood lights were installed on the astro turf pitch which has enabled us to maximise letting opportunities in the winter months. We also entered into a 10 year lease with WSCC for use of 4 tennis courts – which will also provide an opportunity for lettings income.

The Trust Business Manager reports on the financial position of the Academy at each monthly Board meeting. The Policy for Delegation of the Financial Powers and Duties of the Governing Body is approved annually. The Policy clearly defines the financial responsibilities of all parties.

The Board has appointed a Trustee as Responsible Officer. An Internal Audit Plan is in place and the outcomes of the programme of internal audits are reported to the Audit Panel and Board on a regular basis. The Standing Orders of the Trust establish limits for contractual agreement which require formal quotations, open tenders or full OJEC tender processes to be followed.

The Headteacher and Business Manager are delegated with the authority to award contracts with a value of £75,000 or less. Tenders and Contracts over this value must be approved by the Governing Body. During 2014/15 Trustees were involved in the following contractual decisions:

- photocopying lease arrangements
- postal functions (franking machine)
- school wide general insurance
- replacement of school minibus

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Fitness for Purpose

The Trust's Standing Orders ensure that alternative quotes/tenders are sought for purchases/contracts with a value over £5,000. All procurement is authorised by the Finance office through a process of order and purchase order forms. This ensures that best value can be sought on small purchase items including stationery and books. Non order invoices have reduced during the year alongside staff claims for non-travel costs as we promote procurement through the Finance Office only.

Benchmarking

The Trust uses Department for Education (DFE) Consistent Financial Reporting (CFR) Benchmarking data to check costs against similar organisations.

Options Appraisal

Our Standing Order process requires formal tendering processes to be used for contracts or purchases with an annualised cost of £75,000 or above. Detailed Tender Specifications are written by the Business Manager and approved by the Accounting Officer prior to the tender process commencing. Trustees are involved in the procurement process at all stages for contracts/purchases with an annualised value of over £75,000.

Feasibility studies and options appraisals are completed for larger development projects. In 2014/15 this included the cost plan to resurface the tennis courts.

Economies of scale

To achieve economies of scale/cost savings a shared procurement process for Grounds Maintenance and Teacher Absence insurance has been organised with a group of local schools. Worthing Business Managers work together to explore opportunities for group purchase.

The Trust has access to the Kent Council Consortium (KCC) Framework Agreement for group buying power, which includes energy costs and cheaper prices from KCC.

Maximising Income Generation

The Trust maximises resources through an extensive Lettings Programme. Over £65,000 of additional unrestricted income was raised through lettings in 2014/15.

Reviewing Controls and Managing Risks

A comprehensive Risk Management Policy and Register is maintained. This is reviewed by Trustees and senior leaders. Monthly management accounts are provided to Leadership and Trustees by the Business Manager.

Monthly bank reconciliation is counter signed by the Finance Officer and Business Manager. The school Credit card statement reconciliation process is counter signed by the Finance Officer, Business Manager and Accounting Officer.

Payroll monthly reports are checked both by the Business Manager and the Accounting Officer prior to payroll being processed. All additional hours claims forms are counter signed by the line manager and Business Manager prior to processing.

The Responsible Officer (RO) has implemented a programme of internal audit control checks during the next 12 months.

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A rolling five year financial modelling data is provided to Leadership and Governors by the Business Manager to consider impact of changes to roll and funding models.

Budget holders have monthly budgets which mirror the monthly nature of the academies funding and budget holders are provided a report each month showing their expenditure profiled against the budgets provided.

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 risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Worthing High School for the period 1 September 2014 to 31 August 2015 and up to the date of the approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which Worthing High School 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 are formal on-going processes for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up 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 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 general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to reappoint Richard Cohen, a governor, as responsible officer (RO). The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a regular basis the RO reports to the board of governors, through the Audit Panel on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

The Internal Audit plan covers governance, fixed assets, stock control, debtors, bank & cash, creditors, VAT, general expenditure, procurement, income, payroll, risk management and business continuity. Six internal audit visits are planned each financial year.

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GOVERNANCE STATEMENT
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Review of Effectiveness

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

- the work of the RO Richard Cohen:
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and/or external auditors and a plan to address weaknesses identified and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 16 December 2015 and signed on its behalf by:

Anthony Cohen
Chair of Trustees

Carolyn Dickinson
Accounting Officer

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2015**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Worthing High School I have considered my responsibility to notify the Worthing High School board of trustees and the Education Funding Agency of material irregularity, impropriety and noncompliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Carolyn Dickinson
Accounting Officer

WORTHING HIGH SCHOOL A COMPANY LIMITED BY GUARANTEE STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2015

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The trustees (who act as governors for charitable activities of Worthing High School 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 governors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2005
- 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
- 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 16 December 2015 and signed on its behalf by:
:

Anthony Cohen
Chairman

WORTHING HIGH SCHOOL A COMPANY LIMITED BY GUARANTEE INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF WORTHING HIGH SCHOOL LIMITED AND THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2015

In accordance with the terms of our engagement letter dated 13 March 2013 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 Worthing High School during the year to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the governing body of Worthing High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the governing body 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 governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Worthing High School's funding agreement with the Secretary of State for Education dated 3 December 2012 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 review which suggests that in all material respects, expenditure disbursed and income received during the year 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.

Approach

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

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

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

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

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT
ON REGULARITY TO THE GOVERNING BODY OF WORTHING HIGH
SCHOOL LIMITED AND THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2015**

The work undertaken to draw to our conclusion includes:

- testing expenditure to ensure that it is in the best interest of the School
- testing to ensure that procurement rules have been followed
- ensuring that there is a valid business benefit to the transactions selected for testing
- reviewing expenditure for necessity
- ensuring the expenditure tested is reasonable and has been properly authorised.

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 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Russell New Limited,
Reporting Accountants
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN
Date:

WORTHING HIGH SCHOOL A COMPANY LIMITED BY GUARANTEE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORTHING HIGH SCHOOL FOR THE YEAR ENDED 31 AUGUST 2015

We have audited the financial statements of Worthing High School for the year ended 31 August 2015 set out on pages 21 to 42. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2014 to 2015 and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's (the Academy's) members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency ("EFA") on terms that have been agreed. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and, in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2014 to 2015 issued by the EFA, those matters that we have agreed to state to them in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 16, the Governors (who are also the directors of the company for the purposes of company law) are responsible for the preparation of financial statements which 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 auditing standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs at 31 August 2015, 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 UK 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 2014 to 2015 issued by the EFA

Opinion on other matter prescribed by the Companies Act 2006

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

**WORTHING HIGH SCHOOL
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORTHING
HIGH SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2015**

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

Mr Mark Cummins FCCA (Senior Statutory Auditor)

for and on behalf of Russell New Limited,
Statutory Auditors
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN
Date:

WORTHING HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds	Restricted non fixed asset funds	Restricted fixed asset funds	Year Ended 31 August 2015	Year Ended 31 August 2014
		£000	£000	£000	£000	£000
<u>Incoming resources</u>						
<i>Incoming resources from generated funds</i>						
Other voluntary income		43	-	-	43	27
Activities for generating funds	4	151	34	-	185	206
Investment income – bank interest		-	1	-	1	1
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	5	-	4,726	19	4,745	5,544
Total incoming resources		194	4,761	19	4,974	5,778
<u>Resources expended</u>						
Cost of generating funds						
Fundraising & trading activities	6	131	-	-	131	130
Charitable activities						
Worthing High School educational operations	7	-	4,468	271	4,739	5,081
Governance Costs	8	-	119	-	119	114
Total resources expended		131	4,587	271	4,989	5,325
Net incoming / resources before transfers		63	174	(252)	(15)	453
Gross transfers between funds	17	-	(128)	128	-	-
Net income / for the period		63	46	(124)	(15)	453
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	17	-	(66)	-	(66)	(146)
Net movement in funds		63	(20)	(124)	(81)	307
Reconciliation of funds						
Funds brought forward at 1 September 2014	17	148	(223)	11,830	11,755	11,448
Funds carried forward at 31 August 2015		211	(243)	11,706	11,674	11,755

All of Worthing High School's activities derive from continuing operations during the above financial period.

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

WORTHING HIGH SCHOOL

BALANCE SHEET AS AT 31 AUGUST 2015

		31 August 2015		31 August 2014	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	12		11,706		11,351
Current assets					
Stocks	13	-		3	
Debtors	14	133		524	
Cash at bank and in hand		516		571	
		<u>649</u>		<u>1,098</u>	
Creditors: Amounts falling due within one year	15	<u>(285)</u>		<u>(353)</u>	
Net current assets			<u>364</u>		<u>745</u>
Total assets less current liabilities			<u>12,070</u>		<u>12,096</u>
Creditors: amounts falling due after more than one year	16	<u>(45)</u>		<u>(56)</u>	
Net assets excluding pension liability			<u>12,025</u>		<u>12,040</u>
Pension scheme liability	27		(351)		(285)
Net assets including pension liability			<u>11,674</u>		<u>11,755</u>
Funds of Worthing High School:					
Restricted funds					
Fixed asset fund	17		11,706		11,351
Capital fund carried forward	17		-		479
General fund	17		108		62
Pension reserve	17		(351)		(285)
Total restricted funds			<u>11,463</u>		<u>11,607</u>
Unrestricted funds					
General fund	17		211		148
Total funds			<u>11,674</u>		<u>11,755</u>

The financial statements on pages 21 to 42 were approved by the Governors, and confirmed for issue on 2 December 2015 and are signed on their behalf by:

.....
Anthony Cohen
Chairman

Registered company number: 08276210 (England & Wales)

WORTHING HIGH SCHOOL

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

	<i>Note</i>	Year Ended 31 August 2015 £000	Year Ended 31 August 2014 £000
Net cash inflow from operating activities	21	565	192
Capital expenditure	23	(596)	27
Net cash inflow before financing		(31)	219
Financing			
Repayment of loans		(12)	(8)
Increase/(decrease) in cash in the year	24	(43)	211
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		504	293
Net funds at 31 August 2015		461	504

WORTHING HIGH SCHOOL

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

1. Statement of Accounting Policies

Basis of Preparation

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

Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

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

- **Grants receivable**

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

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

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance of the restricted fixed asset fund (note 17).

- **Sponsorship income**

Sponsorship income provided to the Academy Trust 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.

- **Donations**

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

- **Other income**

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

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Statement of Accounting Policies (continued)

Resources Expended

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

- **Costs of generating funds**
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable activities**
These are costs incurred on the Academy Trust's educational operations.
- **Governance Costs**
These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £500 or more are recognised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Freehold property	2%-5% Straight line basis
Fixtures, fittings and equipment	20% Straight line basis
ICT equipment	10-20% Straight line basis
Motor Vehicles	25% Straight line basis

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Statement of Accounting Policies (continued)

Leased Assets

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

Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

In addition, the Academy Trust contributes to externally funded defined contribution schemes for other staff.

Contributions payable under all these schemes are charged in the Statement of Financial Activities as incurred.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Fund Accounting

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

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 with restrictions imposed by the funder and include grants from the Education Funding Agency.

2. Conversion to an Academy Trust

On 1 December 2012 Worthing High School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Worthing High School from the West Sussex Local Authority for £nil consideration.

The transfer was 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.

3. General Annual Grant (GAG)

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

The Academy Trust has not exceeded these limits during the year ended 31 August 2015.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

4. Activities for generating funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Hire of facilities	64	-	64	64
Gross uniform income	38	-	38	5
Income from other educational supplies	49	34	83	137
	151	34	185	206

2015 gross uniform stock income consists of funds sold on behalf of a third party. Once received these funds were paid over to the third party and have been included in expenditure accordingly.

5. Funding for the Schools educational operations

	Unrestricted Funds £000	Restricted Funds: Fixed Assets £000	Restricted Funds Non Fixed Assets £000	Total 2015 £000	Total 2014 £000
DfE / EFA revenue grants					
General Annual Grant (GAG)	-	-	4,468	4,468	4,759
Minimum Funding Guarantee	-	-	(20)	(20)	(52)
Capital grants	-	19	-	19	520
Other DfE / EFA grants	-	-	165	165	169
	-	19	4,613	4,632	5,396
Other Government grants					
Local authority grants	-	-	44	44	25
Special educational grants	-	-	69	69	119
Other	-	-	-	-	4
	-	-	113	113	148
Total	-	19	4,726	4,745	5,544

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

6. Resources expended

	Staff costs £000	Depreciation £000	Other costs £000	Total 2015 £000	Total 2014 £000
Costs of activities for generating funds	-	-	131	131	130
Academy's educational operations					
Direct costs	2,943	228	430	3,601	3,878
Allocated support costs	567	43	528	1,138	1,203
	3,510	271	1,089	4,870	5,211
Governance costs including allocated support costs	110	-	9	119	114
Total resources expended	3,620	271	1,098	4,989	5,325

	Total 2015 £000	Total 2014 £000
Net Incoming/outgoing resources for the year include expenditure for:		
Operating leases	6	6
Fees payable to auditor		
- audit	9	9
- other services	1	1

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

7. Charitable activities – Worthing High School's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Direct costs				
Teaching and educational support staff costs	-	2,943	2,943	3,183
Depreciation	-	228	228	205
Technology costs	-	122	122	153
Educational supplies	-	72	72	86
Examination fees	-	88	88	73
Staff development	-	12	12	25
Other direct costs	-	136	136	153
	-	3,601	3,601	3,878
Allocated support costs				
Support staff costs	-	567	567	505
Depreciation	-	43	43	32
Technology costs	-	31	31	12
Maintenance of premises and equipment	-	121	121	219
Energy costs	-	61	61	70
Security & transport	-	7	7	12
Cleaning	-	87	87	77
Recruitment	-	25	25	13
Rent & rates	-	23	23	21
Insurance	-	71	71	69
Other support costs	-	102	102	173
	-	1,138	1,138	1,203
Total charitable activity costs	-	4,739	4,739	5,081

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

8. Governance costs

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£000	£000	£000	£000
Auditor's remuneration				
-Audit of financial statements	-	9	9	9
Support costs	-	110	110	105
	-	119	119	114

9. Staff costs

Staff costs during the period were:	Total 2015 £000	Total 2014 £000
Wages and salaries	2,920	3,036
Social security costs	209	217
Pension costs	445	451
Supply teacher costs	46	92
	3,620	3,796

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

	2015 No.	2014 No.
Teachers	49	50
Administration and support	42	43
Management	7	6
	98	99

The number of employees whose emoluments fell within the following salary bands were:

	2015 No.	2014 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-

The two above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff members amounted to £21,152 (2014: £20,166). The other 2014 employee participated in the Local Government Pension Scheme; employer's pension scheme and contributions for this staff member amounted to £13,060 during that period.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

10. Related Party Transactions – Governors’ Remuneration and Expenses

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments or expenses from the Academy in respect of their role as governors. The value of the governors’ remuneration was as follows for the year ended 31 August 2015:

- C Dickinson (Headteacher) - £85,000 - £90,000 (2014: £80,000 - £85,000)
- J Hillary (staff governor) - £25,000 - £30,000 (2014: £0 - £5,000)
- G Jones (staff governor) - £0 - £5,000 (2014: £0 - £5,000)
- A Lutwyche (staff governor) - £35,000 - £40,000 (2014: £35,000 - £40,000)
- K Price (staff governor) - £0 - £5,000 (2014: £10,000 - £15,000)

Related party transactions involving the governors are set out in note 28.

11. Governors’, trustees’ and officers’ insurance

In accordance with normal commercial practice Worthing High School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Worthing High School business. The insurance provides cover up to £5,000,000 on any one claim. The premium was part of the total insurance premium for the Academy. The cost of this insurance is included in the total insurance cost.

12. Tangible Fixed assets

	Freehold Land and Buildings	Computer equipment	Fixtures & Fittings	Motor Vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2014	11,263	475	189	19	11,946
Additions	533	14	80	-	627
Disposals	-	(37)	(1)	-	(38)
At 31 August 2015	11,796	452	268	19	12,535
Depreciation					
At 1 September 2014	285	242	52	16	595
Charged in period	179	48	41	3	271
Disposals	-	(37)	-	-	(37)
At 31 August 2015	464	253	93	19	829
Net book value					
At 31 August 2015	11,332	199	175	-	11,706
At 1 September 2014	10,978	233	137	3	11,351

Freehold land included within freehold land and buildings above totaling £3,115,000 has not been depreciated.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

13. Stock

	2015	2014
	£000	£000
School uniform	-	3
	<u>-</u>	<u>3</u>

14. Debtors

	2015	2014
	£000	£000
Trade debtors	2	9
Prepayments and accrued income	105	456
VAT recoverable	26	59
	<u>133</u>	<u>524</u>

15. Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Trade creditors	100	156
Taxation and social security	120	127
Other loans	10	11
Accruals and deferred income	55	59
	<u>285</u>	<u>353</u>

Deferred Income

	2015	2014
	£000	£000
Resources deferred in the period	39	34
Deferred Income at 31 August 2015	<u>39</u>	<u>34</u>

At 31 August 2015, the Academy Trust was holding funds received in advance for Special Education Needs LEA Funding which relates to 2015/2016.

16. Creditors: amounts falling due after more than one year

	2015	2014
	£000	£000
Other Loans	45	56
	<u>45</u>	<u>56</u>

All loans are interest free and repayable within 5 years.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

17. Funds

	Balance at 1 September 2014 £000	Incoming resources £000	Resources expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2015 £000
Restricted general funds					
General annual grant (GAG)	76	4,448	(4,282)	(128)	114
Other DfE/EFA grants	(14)	165	(157)	-	(6)
Other government grants	-	113	(113)	-	-
Other income	-	35	(35)	-	-
Pension reserve	(285)	-	-	(66)	(351)
	(223)	4,761	(4,587)	(194)	(243)
Restricted fixed asset funds					
DfE/EFA capital grants	479	19	-	(498)	-
Assets on conversion	11,147	-	(46)	-	11,101
Capital expenditure from GAG	204	-	(225)	626	605
	11,830	19	(271)	128	11,706
Total Restricted Funds	11,607	4,780	(4,858)	(66)	11,463
Unrestricted funds	148	194	(131)	-	211
Total funds	11,755	4,974	(4,989)	(66)	11,674

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

General Annual Grant	The surplus in year will be carried forward to meet the schools running costs in 2015/16.
Other DfE/EFA grants	The deficit carried forward represents pre-conversion loans repayable.
Assets on conversion	Represents the assets transferred to the Academy on conversion and will be held as a fund carried forward in line with the Academies funding agreement.
Pension Reserve	This relates to the Worthing High School's share of the Local Government Pension Scheme.

Transfers between funds relate to capital expenditure undertaken in the year.

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

18. Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total Funds £000
Tangible fixed assets	-	-	11,706	11,706
Current assets	58	591	-	649
Current liabilities	(269)	(16)	-	(285)
Long term liabilities	-	(45)	-	(45)
Pension scheme liability	-	(351)	-	(351)
Total net assets	(211)	179	11,706	11,674

19. Capital commitments

	2015 £000	2014 £000
Contracted for but not provided for in the accounts	-	39

20. Financial commitments

Operating leases

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

	2015 £000	2014 £000
Land and buildings		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
Other		
Expiring within one year	1	-
Expiring within two and five years inclusive	4	6
Expiring in over five years	-	-

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

21. Reconciliation of net income to net cash inflow from operating activities

	2015	2014
	£000	£000
Net income/(expenditure) before actuarial gains/(losses)	(15)	453
Depreciation (note 12)	271	237
Capital grants from DfE and other capital income	(19)	(223)
FRS 17 pension costs less contributions payable (note 27)	36	9
FRS 17 pension finance income (note 27)	(35)	(22)
(Increase)/decrease in stocks	3	12
(Increase)/decrease in debtors	391	(375)
Increase/(decrease) in creditors	(67)	101
Net cash inflow from operating activities	565	192

22. Returns on Investments and Servicing of Finance

	2015	2014
	£000	£000
Interest received	1	1
Net cash inflow from returns on investments and servicing of finance	1	1

23. Capital expenditure and financial investment

	2015	2014
	£000	£000
Purchase of tangible fixed assets	(627)	(204)
Capital grants from DfE/EFA	19	223
Repayment of loan	12	8
Net cash inflow from capital expenditure and financial investment	(596)	27

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

24. Analysis of changes in net funds

	At 1 September 2014	Cash Flows	Non cash changes	At 31 August 2015
	£000	£000	£000	£000
Cash in hand and at bank	571	(55)	-	516
Other loans due in < 1 year	(12)	12	(12)	(12)
Other loans due in > 1 year	(55)	-	12	(43)
	504	(43)	-	461

25. Contingent liabilities

There are no contingent liabilities.

26. Members' liability

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

27. Pension and similar obligations

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

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

Contributions amounting to £57,268 (2014: £59,012) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme (TPS)

Introduction

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

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

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

Valuation of the Teachers' Pension Scheme

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

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined and employer rate of 16.48% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy 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 the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2015 was £233,069 of which employer's contributions totalled £182,090 and employees' contributions totalled £50,979. The agreed contribution rates for the future years are 17.6% for employers and 5.5% to 7.5% for employees.

Principal Actuarial Assumptions:

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	4.0%	3.9%
Rate of increase for pensions in payment	2.6%	2.6%
Discount rate for scheme liabilities	3.7%	3.7%
Expected return on scheme assets	3.7%	5.5%

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Commutation: An allowance is included for future retirements to elect to take 50% of the maximum additional tax free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax free cash for post-April 2008 service.

Sensitivity Analysis:	Approximate % increase to employer liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	13%	394
1 year increase in member life expectancy	3%	93
0.5% increase in the Salary Increase Rate	6%	199
0.5% increase in the Pension Increase Rate	6%	183

Mortality Assumption:

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

	Current Pensioners at 31 August 2015	Future Pensioners at 31 August 2015	Current Pensioners at 31 August 2014	Future Pensioners at 31 August 2014
<i>Retiring today</i>				
Males	24.4	26.9	24.4	25.8
Females	25.8	28.5	26.9	28.5

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £000	Expected return at 31 August 2014	Fair value at 31 August 2014 £000
Equities	3.7%	1,943	6.2%	1,739
Bonds	3.7%	438	3.4%	386
Property	3.7%	219	4.5%	169
Cash	3.7%	137	3.3%	121
Total market value of assets		2,737		2,415
Present value of scheme liabilities				
- Funded		(3,088)		(2,700)
Surplus/(deficit) in the scheme		(351)		(285)

The actual return on scheme assets was £108,000 (2014: £255,000).

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The asset return assumptions under FRS17 are the responsibility of the company directors or equivalent. The figures shown above are based on the recommended return assumptions which were derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- The output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

While the model allows for the possibility of scenarios that would be extreme by historical standards, including very significant downturns in equity markets, large systemic and structural dislocations are not captured by the model. Such events are unknowable in effect, magnitude and nature, meaning that the most extreme possibilities are not necessarily captured within the distributions of results.

Major categories of plan assets:

	At 31 August 2015	At 31 August 2014
Equities	71%	72%
Bonds	16%	16%
Property	8%	7%
Cash	5%	5%

The bid value of the Fund's assets as at 31 August 2015 is estimated to be £2,823,000,000 based on information provided by the Administering Authority and allowing for index returns where necessary

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Amounts recognised in the statement of financial activities

	31 August 2015	31 August 2014
	£000	£000
Current service cost (net of employee contributions)	(36)	(9)
Past service cost	-	-
Total operating (income)/charge	(36)	(9)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	139	124
Interest on pension liabilities	(104)	(102)
Pension finance income/(costs)	35	22

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £206,000 loss (2014: £141,000 loss).

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

	2015	2014
	£000	£000
At 31 August 2014	2,700	2,120
Current service cost	217	172
Interest cost	104	102
Employee contributions	51	46
Actuarial (gain)/loss	35	278
Benefits paid	-	-
Past Service cost	-	-
Estimated benefits paid	(19)	(18)
At 31 August 2015	3,088	2,700

WORTHING HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Movements in the fair value of academy's share of scheme assets:	2015	2014
	£'000	£'000
At 31 August 2014	2,415	1,968
Expected return on assets	139	124
Actuarial gain/(loss)	(30)	132
Employer contributions	181	163
Employee contributions	51	46
Benefits paid	(19)	(18)
At 31 August 2015	2,737	2,415

The estimated value of employer contributions for the year ended 31 August 2016 is £186,000.

Amounts for the current and previous accounting periods

	As at 31 August 2015	As at 31 August 2014	As at 31 August 2013
Fair value of Employer Assets	2,737	2,415	1,968
Present value of defined benefit obligation	(3,088)	(2,700)	(2,120)
Surplus/(deficit)	(351)	(285)	(152)
Experience gains/(losses) on assets	(30)	132	130
Experience gains/(losses) on liabilities	-	-	-

28. Related Party Transactions

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

29. Control

During the year the academy was controlled by its governors.