

**DEBENHAM HIGH SCHOOL**  
A Church of England High Performing Specialist Academy



**Annual Report and Financial Statements**

**For year ended 31<sup>st</sup> August 2018**

Debenham High School is an exempt charity with  
Company Registration Number: 07467445  
England and Wales

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**

The Rt Rev'd Martin Seeley, Bishop of St Edmundsbury & Ipswich (Appointed by the Diocesan Board of Education)

Mr David Carruthers (as Chair of Governors)

Mr Richard Boulter

Mrs Janet Brown

Mr Robert Grimsey

Mr Neil Serjeant

**Governors**

Mr Ronald Barker, Parent Governor

Rev Susan Bates, ex officio, Foundation Governor

\*Mr David Carruthers, Chair of Governors- Foundation Governor

Ms Marion Carter, Parent Governor (appointed 26 November 2018)

Mr Paul Debenham, Local Authority Governor

\*Mrs Caroline Driver, Parent Governor

Dr David Egan, Co-opted by Governors

\*Ms Siobhan Goodrich, Parent Governor

\*Mr Timothy Green, Co-opted by Members

Mr Christopher Grover, Foundation Governor

Mrs Sheila Janson, Co-opted by Members

Dr Hilary Marlow, Foundation Governor

\*Mr David McMillan, Staff Governor- Teacher

Mrs Jo Newman, Staff Governor- Teacher

\*Mr David Ralph, Parent Governor

Mr Robert Stevenson, Parent Governor (resigned 31 August 2018)

Dr William Thomas, Co-opted by Governors

\*Miss Julia Upton, ex officio, Head Teacher- Accounting Officer

\*Members of the Finance and General Purposes Committee

**Company registered number**

07467445

**Company name**

Debenham High School

**Principal and registered office**

Gracechurch Street, Debenham, Suffolk, IP14 6BL

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Advisers (continued)**

**Senior Leadership Team (SLT)**

Julia Upton, Headteacher  
Simon Martin, Deputy Headteacher  
Susan McBurney, Assistant Headteacher  
Louise Ramsay, Assistant Headteacher  
Tracy Willmott, Business Manager (CFO)

**Independent auditor**

Larking Gowen LLP, 1 Claydon Business Park, Great Blakenham, Ipswich, Suffolk, IP6 0NL

**Bankers**

Lloyds Bank, 16 Gentleman's Walk, Norwich, Norfolk, NR2 1LZ

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Governors present their annual report together with the financial statements and auditors' report of Debenham High School for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The Debenham High School Academy Trust operates a popular outstanding Church of England Academy for students aged 11 to 16 serving a catchment area north west of Ipswich in rural Suffolk. It is oversubscribed with 676 students on roll (October census 2018) with a planned capacity of 625.

**Structure, governance and management**

**a. CONSTITUTION**

Debenham High School is a company limited by guarantee and an exempt charity. Debenham High School was established as an Academy on January 1st 2011, converting from Debenham Church of England Voluntary Controlled High School under the Academies Act 2010. The Company's Memorandum and Articles of Association (13th December 2010) are the primary governing documents of the Academy. The Governors act as the Trustees for the charitable activities of Debenham High School and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Debenham High School.

Details of the Governors who served during the year are included in the Reference and administrative details on page 1.

As a Church of England Academy the school has strong links with the Diocese of St Edmundsbury and Ipswich. This relationship spans the whole history of the school since 1964 when it opened as a Voluntary Controlled Church of England school. The Christian ethos of the school is embedded in the governing documentation of the Academy.

**b. MEMBERS' LIABILITY**

Each Member 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. GOVERNORS' INDEMNITIES**

The Academy has obtained risk protection under the government Risk Protection Arrangement (RPA) to cover the liability of Members and Governors in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy. Limit of Indemnity: £10,000,000.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS**

**Members**

The Members of the Academy are:

- the signatories to the Memorandum and Articles of Association;
- Foundation Members, comprising one person who may be appointed by the Diocesan Board of Education;
- an additional person appointed by the Diocesan Board of Education provided that the total number of Foundation Members would not exceed 25% of the total number of Members;
- one person appointed by the Secretary of State in the event the Secretary of State appoints a person for this purpose;
- the Chair of Governors, and
- additional Members may be appointed if Members agree unanimously in writing and obtain written consent from the Diocesan Board of Education.

Additional Members are appointed by Members and serve for 5 years (with the exception of the Chair of Governors who serves ex officio). In order to avoid the term of office of all Members ending at the same time the Members have agreed terms of office as follows:

Mrs Janet Brown:	31st December 2018
Mr Richard Boulter:	31st December 2019
Mr Robert Grimsey:	31st December 2020
Mr Neil Serjeant:	31st December 2021

**Governors**

The number of Governors shall not be less than three nor more than eighteen except for appointments of any additional Governors made by the Secretary of State. The Academy shall have the following Governors:

- two Governors appointed by Members
- four Foundation Governors appointed (Rector of Debenham and Helmingham Benefice Ex Officio Governor). Members may appoint further Foundation Governors provided the total number of Foundation Governors does not exceed 25% of the total number of Governors.
- one Local Authority (LA) Governor
- three Staff Governors (the number of Staff Governors should not exceed 25% of the total number of Governors).
- five Parent Governors elected by parents of registered students
- two Co-opted Governors appointed by existing non co-opted Governors
- the Headteacher



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The membership of the various committees/working party is shown below:

	Trustee/Governor	Admissions Committee	Appeals Committee	Finance & General Purposes Committee	Hearings & Discipline Committee	Health & Safety Committee	Curriculum Working Party
Headteacher	Miss J Upton	*	*	*			*
Nominated by Diocesan Board of Education	Mr D Carruthers	*		*	*		*
	Rev S Bates	*	*				*
	Mr C Grover	*	*				*
	Dr H Marlow				*	*	*
Parent Governors	Mr R Barker				*		*
	Mrs C Driver			*		*	*
	Mr D Ralph			*	*		*
	Mr R Stevenson <i>(resigned 31 August 2018)</i>		*			*	*
	Mrs S Goodrich	*	*	*	*		*
Local Authority	Mr P Debenham	*	*			*	*
Staff	Mr D McMillan			*			*
	Ms J Newman					*	*
Co-opted	Dr D Egan		*			*	*
	Mr T Green			*	*	*	*
	Mrs S Janson	*			*		*
	Dr W Thomas						*
Member	Mr Neil Serjeant			*			

The Governors delegate the day-to-day running of the school to the Headteacher and Senior Leadership Team. The Governors are responsible for setting general policy, approving the annual budget, monitoring the use of funding, budgets and making decisions about the direction of the Academy, capital expenditure, senior staff appointments, and holding the Headteacher and the Senior Leadership Team to account for the performance of the school against agreed targets.

**g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The Governing Body notes that the salary ranges for Headteachers, Deputy and Assistant Headteachers are not incremental and do not provide for automatic salary progression. Pay progression is considered on the basis of successful completion of the performance management process. The Finance and General Purposes Committee sets the Individual Salary Ranges (ISR) on the Leadership Pay Scale.

The pay group for the Headteacher is set using national recommendations based on the size and phase of school. On appointment a salary point will be recommended by the Appointments Panel for approval by the Governing Body. Each November the Headteacher will be set objectives as part of his/her performance management review. The Finance and General Purposes Committee will consider the performance review report when reviewing the Headteacher's salary in November and will determine whether any additional points within the agreed ISR are to be awarded and whether those points are to be permanently incorporated into the salary or subject to further review. Any increase in pay will be backdated to the September of that year.



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The staffing establishment includes one post of Deputy Headteacher, two posts of Assistant Headteacher and one post of School Business Manager. On appointment their salary will be determined by the Finance and General Purposes Committee. Each September the Headteacher will set objectives for the Deputy, Assistant Headteachers and the School Business Manager as part of their performance management review. The Finance and General Purposes Committee will consider the Headteacher's report of the performance management review when reviewing their salaries in September and determine any temporary or permanent progression within the agreed ISR. Any increase in pay will be backdated to the September of that year.

To review the performance of the Headteacher the school uses the services of an external consultant, who reviews the Headteacher's performance, before making a recommendation to the Governing Body.

#### **h. TRADE UNION FACILITY TIME**

##### **Relevant union officials**

Number of employees who were relevant union officials during the year	<b>3</b>
Full-time equivalent employee number	<b>3</b>

##### **Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	<b>1</b>
1%-50%	<b>2</b>

##### **Percentage of pay bill spent on facility time**

	<b>£</b>	
Total cost of facility time	<b>3,726</b>	
Total pay bill	<b>2,887,690</b>	
Percentage of total pay bill spent on facility time	<b>0.1</b>	<b>%</b>

##### **Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	<b>100.0</b>	<b>%</b>
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#### **i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

As a Church of England Academy the school has strong links with the diocese of St Edmundsbury and Ipswich. The school has strong links with St Mary's Church in Debenham, using the church for a number of school events throughout the year. The vicar, along with those who work in other local churches, regularly delivers assemblies and supports the development of a Christian ethos within the school.

The Academy has a mutually beneficial arrangement for sharing sporting facilities with Debenham Leisure Centre. This ensures the wider community has access to a flood-lit, multi-purpose games area, tennis courts and the sports field owned by the Academy, and students have access to an indoor sports centre, gym and games area at the adjacent Leisure Centre.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Academy is the apex of a pyramid of seven primary schools where there is a mutual interest in ensuring the best education and outcomes for all our young people. Regular curriculum meetings are arranged with Pyramid Heads and subject leaders, these and other meetings ensure a smooth transition for the next intake into Debenham High School. For delivery of vocational pathways, the Academy works in partnership with local Further Education providers.

### **Teaching School Alliance**

Debenham High School is the lead school in the Mid-Suffolk Teaching School Alliance (TSA). Designated in March 2016 the alliance has engaged in activities covering all three teaching schools' aims: school to school support, continuous professional development and initial teacher training. It has worked with secondary and primary schools in the local area. Those delivering training or coaching have been from within Debenham High School and from other schools in the Alliance. Both the Headteacher and the Assistant Headteacher, Director of Teaching School, have been involved in this work and in connecting other colleagues from other schools. The TSA has been successful for bidding for funding directly from the DfE to support some of this work. The Schools work with other local TSAs and the Local Authority to ensure that work undertaken is meeting local need. In 2017-18 the TSA has undertaken School to School Support work from direct advances to the TSA and brokered through the Local Authority and Regional Schools Commissioner.

### **Objectives and Activities**

#### **a. OBJECTS AND AIMS**

The Academy's object is stated in its Memorandum & Articles of Association as, "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship and in having regards to the advice of the Diocesan Board of Education."

#### **Objectives and Aims**

The mission of the Academy is:

**"To provide a top quality education for students of all abilities in a caring, challenging, supportive and attractive environment in which all members of the community are valued and where Christian moral values are encouraged".**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Academy aims:

- To provide a happy and caring environment in which to learn and work where each member of the school community is personally valued and where students are able to develop self-respect and self-control.
- To challenge all students to the full realisation of their talents and potential.
- To enable students, through a demanding, broad and balanced curriculum, to achieve as high a level of success as possible in public examinations.
- To help students acquire attitudes and skills relevant to their adult and working life especially those related to independent thinking, and be able to adapt confidently to a changing society.
- To develop physical and social skills, an aesthetic appreciation and an understanding of health, hygiene and environmental issues.
- To encourage moral and Christian values consistent with a Church of England school.
- To engender respect for and tolerance of others - regardless of differences of race, disability, sexuality, gender, culture or religion.
- To encourage students to work together and participate fully in the life of the school and the wider community.
- To help develop an understanding of the world in which we live, the interdependence of individuals, groups and nations and an appreciation of human achievement and aspirations.
- To ensure all staff have access to high quality training and development opportunities.

**b. STRATEGIES AND ACTIVITIES**

The improvement aims of the Academy are set out within the School Development Plan (SDP). This plan makes clear the direction of the Academy over a three-year period and is reviewed with Governors termly.

The School Development Plan sets out how we want to be a school that:

- Develops the whole child, through considering their academic, spiritual, moral, social and cultural development
- Is the school of choice in the locality and continue to be over-subscribed
- Is in the top 10% of all secondary schools nationally, by attainment
- Is in the top 10% of all secondary schools nationally, by progress
- Is recognised for excellent practice across the curriculum and in terms of spiritual, moral, social and cultural development
- Is renowned as a place of work that is characterized by innovation, well-being, creativity and rigour
- Is a key partner in a system-led local offer of Continuing Professional Development (CPD) and School to School Support (S2SS).

Our Development Plan is split into four themes, with specific actions under each theme. These are:

- Building the whole child
- Curriculum and assessment
- Strategic Planning
- Environment and personnel

Whilst these are four separate areas we know that they are aspects that pervade every theme and that ultimately they all work towards improving the quality and standards within the school. The SLT reviews progress and reports on this to Governors each term. The SDP links in turn with individual performance management targets and departmental development plans.

The Academy provides tuition and learning opportunities for students to fulfil their academic potential along with opportunities for students to develop those wider skills needed to for them to succeed. This includes spiritual and moral development alongside academic and extra-curricular breadth.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Academy runs a review process to monitor standards of teaching and learning and each faculty is reviewed annually. This sits alongside regular review processes as part of the academic cycle. Some of these reviews address whole school development themes, some departmental improvement priorities and some individual teacher improvements. The Academy regularly seeks the views of all stakeholders, including students, parents and carers, and as such amends practice where appropriate.

In March 2016 the academy was designated the lead school of a Teaching School Alliance. Through this role the school leads and co-ordinates others in the three core areas of Initial Teacher Training, Continuous Professional Development and School to School Support.

In the next three years the school will look at ways that it might formalise working with other strategic partners. This may be through continued stand-alone support or through the creation of a Multi-Academy Trust (MAT).

**c. PUBLIC BENEFIT**

The Governors recognise their charitable responsibilities for the advancement of education as described in the Charity Commission's Statement of Recommended Practice. They have also considered public benefit guidance issued by the Charity Commission. The Governors have recorded in this report the activities carried out by the school in furtherance of the charitable purposes for the public benefit.

**Achievements and performance**

The Academy has a predominantly rural catchment area with approximately 50% students travelling via bus. It places high importance on knowing every individual, making sure all students feel valued, developing their spiritual and emotional self and irrespective of background ensuring that each student has the highest aspirations of achievement. Alongside high academic expectations, extra-curricular involvement is expected and leadership opportunities are exploited across the school to allow students to demonstrate responsibility. We have seven feeder catchment schools but around a third of students come to us from beyond our catchment area.

We are over-subscribed in every year group (with a Planned Admission Number (PAN) of 125 in every year group). Our numbers on roll in September 2018 stand at 676.

In August 2018 we had another exceptional set of GCSE examinations results. The new benchmark headline figure of 88% students gaining Grade 4+ in Mathematics and English was the highest in Suffolk and Norfolk, beating the best raw score headline figure attained in the last five years. Equally pleasing was the Government benchmark of Maths and English Grade 5+ - at 76%, 15% higher than any other school in Suffolk. The progression, Progress 8 score of 0.72 was also the highest in the local authority and is only surpassed by two other comprehensive schools in the East of England.

Grade 4+ Maths and English	88%
Grade 5+ Maths and English	76%

The proportion of students attaining 8 or more A\*/A or 7-9 grades was exceptional, with 28 students from a cohort of 126 achieving this benchmark.

This year, new grade points scores and new qualifications in many subjects means that direct comparison to previous years is not possible. However, our comparison to other similar schools (those with similar average prior attainment and proportion of Free School Meals) is exceptional. The Progress 8 score of disadvantaged students was 0.72, setting the achievements of those most vulnerable students way beyond the national average.

We continue to set ambitious targets at a pupil, departmental, cohort and whole school level.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The school monitors performance of students by a continuous evaluation of achievements against expectations using nationally published data and the knowledge the teachers have about individual students and their capabilities. Faculty and departmental reviews not only evaluate past performance but use data to plan for the future. The school recognises the diverse way students learn and develop and takes steps to ensure students achieve their potential. Students' backgrounds and needs are considered when looking at progress and teachers are aware of, and plan for, students with different needs. This includes groups recognised by OFSTED as underperforming nationally (Special Educational Needs (SEN), Free School Meals (FSM) ever, Looked After Children (LAC), Services Children).

Examinations in 2018 saw new qualifications in most GCSE subjects, with a few practical exceptions, which will be first examined in 2019. The school has prioritised resources and training time to the development of these new courses and through the work of the TSA has linked small subject teams with other schools to ensure moderation of new levelling and to share and learn from wider experience of the new delivery.

The school has also worked on building the resilience of young people, working with our pyramid schools, parents and students in explicitly thinking about what can help us to build in our learning and have a growth mind-set that we can improve. In 2017-18 this included work with parents and carers on supporting the mental well-being of their children. In 2017 we acted as a centre for national dissemination of training of Mental Health First Aid as part of the work of the TSA.

### ***Attendance***

The school places considerable importance on attendance as a support to learning. The figures show the expectation of 95% attendance for all students.

Group	Authorised	Unauthorised	% Attend
Whole school	5.8	0.2	94.0

Attendance is monitored of year groups and of cohorts in order to ensure that no patterns of attendance are formed with certain groups of pupils. Attendance and pastoral support continues to be supported by a Pastoral Support Assistant who works closely with students and their families to ensure full attendance and engagement in the life of the school.

### ***Behaviour for learning and participation***

Standards of behaviour are very high and the threshold for poor behaviour is low. Students are reminded of expectations with even the lowest level of disruption.

80% of students attend at least one extra-curricular activity. This does not include the many curricula based lunchtime and after-school opportunities.

The Academy offers a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England. The achievement of the GOLD quality mark for RE provision is a pleasing endorsement of the importance of spiritual development for all young people at Debenham High School.

### ***Curriculum***

In 2017-18 the school implemented the first stage of a change in curriculum. This included a new delivery model for PSHE and more time allocated to the core subjects of English, Mathematics and Science. The phased implementation of this will continue into 2019-20 as the final year.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**External verification**

***School Improvement Partner***

The school has continued to work with a School Improvement Partner (SIP). In 2017-18 this person was new to the role for the school following the retirement of the previous linked advisor. Her work has included support to the governing body on the Headteacher's Performance Review, work with two senior leaders and some coaching of marginal student groups.

***SIAMS***

In October 2017 the school received a SIAMS inspection to judge the Christian character of the school. The school was judged Outstanding in this inspection and the inspector complimented the school on how the Christian ethos pervades all aspects of the school "like the blood in the body". She commented on the genuine love shown by pupils for their teachers and the feeling of mutual respect within the school.

***OFSTED***

Whilst we have not received a full inspection in this academic year our results demonstrate that we continue to offer the highest quality of education. Work as a TSA in 2017-18 has seen the school lead school improvement activities in primary and secondary schools across the local authority in maintained and academy schools.

***Quality of teaching, staff training and development***

Through the work of the TSA the school generated income of over £120,000 in 2017-18. The significant part of this went to other schools to support their development and improvement. The three areas of TSA work are Continuous Professional Development, Initial Teacher Training and School to School Support. The alliance works across primary and secondary phases and alliance partners include schools in both phases, the diocese and one higher education institution. The TSA has led bids for further funding and hopes to continue to secure financial resources to support other schools in need.

The school remains fully staffed though the depth of field for teaching posts is becoming more of a challenge. The quality of teaching is consistently good or better, with a significant proportion that is outstanding. This is evidenced through regular departmental reviews, performance management observations and learning walks. The view of students and parents endorses the belief that the quality of education at the school is outstanding. Teachers plan lessons very well, use a range of strategies to engage and motivate students, give careful consideration for the range and needs of students within each class and use sharply focused and timely support and intervention to ensure that students make high rates of progress. Students feel strongly that they get an outstanding education at Debenham High School (at least 97% in every year group) and parents concur.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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Teachers are responsible for their own professional development. A greater focus on the teacher standards in performance management and more opportunities through a number of forums to share pedagogy and practice have created a culture of reflective practice. Through the TSA teachers and teaching assistants have had good opportunities to engage in training and development which is bespoke to their professional development needs.

Over the last three years the school has forged a link with a high performing school in Holland. In 2017-18 two teachers from Debenham High School worked with Dutch colleagues as part of their professional development. As a specialist bilingual school the two teachers focused on linguistic development and student resilience. Partner work with this school will continue in the year ahead and will involve a group of students visiting with teaching staff.

### **Land and Buildings**

In this academic year work was completed to build much needed improved classroom and fit-for-purpose performance space, funded by Capital Improvement Fund (CIF) grant funding. CIF funding has been received in 2017-18 for two new projects to be completed on 2018-19 to provide an additional catering outlet under the Healthy Pupils Capital Fund and to improve the fencing to the perimeter of the site.

### **a. KEY PERFORMANCE INDICATORS**

The budget is set to ensure that the objectives of the School Development Plan, as well as the overarching objectives of the Academy, can be met. The financial performance of the school is judged on its ability to deliver in this regard.

Having considered 2016-17 benchmarking data from across the academies in Norfolk and Suffolk the Governors consider that a ratio of 95.6% total staff costs as a percentage of General Annual Grant (GAG) income (95% across all academies in Norfolk and Suffolk) is acceptable in the short-term given that we do not contract out either cleaning or catering, but will need careful review in the light of future funding in the year ahead.

Debenham High School is a school that has low staff turnover with many experienced staff at the top of their respective pay scales. The level of staff required to deliver the top quality education the school prides itself on is reviewed regularly in light of projected pupil numbers and likely income levels. The budgetary ratio of pupil to teachers, including teaching members of the SLT was 16.56 for the year 2017-18.

The Governors and SLT are acutely aware of the need for prudent financial management and budget planning to ensure the future sustainability of the Academy. With so much of the recent increase in staff costs wholly out of the control of the Academy it is inevitable that hard decisions will need to be made. However, the school is determined to achieve essential cost savings in a measured and carefully considered manner with the aim of ensuring the top quality education that Debenham prides itself upon is not compromised in any way.

The Efficiency Metric published by the DfE in 2018 scored the school as Grade 1 – the highest possible grade. This deemed the school to deliver best value in terms of pupil outcomes for the income that it receives.

### **b. GOING CONCERN**

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

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Financial review**

The school had a roll of 676 students for the October census in 2018. Most of the Academy's income is obtained from the Educational and Skills Funding Agency (ESFA), in the form of recurrent grants based on pupil numbers, the use of some of which is restricted for a particular purpose. Any restricted income received during the year ended 31st August 2018 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The Academy also receives a small annual grant for building maintenance from the ESFA and has benefitted from additional grant funding as the result of a bidding process for capital projects (Condition Improvement Fund - CIF). In 2017-18 work was completed to construct an extension to the building to provide much needed classroom and congregation space. The Academy was successful in bidding for funding for two further projects, to provide an additional catering facility under the ESFA Healthy Pupils Capital Fund, and to improve the site security by replacing fencing to the perimeter of the site, both of which are to be carried out during 2018-19, and is reflected in the balance of the restricted fixed asset fund.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (2015), such grants are shown in the statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2018 total revenue expenditure (before capital contributions from reserves) of £3,689,224 was covered by recurrent grant funding from the ESFA together with other incoming resources. Capital contributions from revenue amounting to £218,375 were made to complete the extension and other works, after which the shortfall of income below expenditure for the year (excluding restricted fixed asset funds and Local Government Pension Scheme costs) was £123,992. Combined with reserves brought forward from 2016-17 of £735,130, this gives a revenue carry forward figure of £611,138 which is greater than the level of planned unrestricted reserves as detailed in the Reserves Policy. This represents a prudent and necessary level of reserves given the uncertainty of future funding levels, the medium term budget plan forecast and the potential impact of the National Funding Formula (NFF).

In line with the fixed asset policy £218,375 was transferred to fixed assets from revenue during 2017-18 of which £27,328 represented Salix loan repayments.

During the year ended 31st August 2018 the school received total capital income of £163,743 made up of £129,799 in respect of the grant awarded by the Capital Improvement Fund (CIF) for the catering and facing projects, a final payment of £18,486 for the completed roofing project, and £15,458 from the Devolved Formula Capital (DFC) allocation for 2017-18. Expenditure of £1,003,501 in the year was primarily in respect of the completion of the roofing project, and the extension project providing a drama studio and improvements to classroom space, funded by CIF grants received prior to this year.

At 31st August 2018 the net book value of fixed assets was £7,847,318. Movement in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.



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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**a. RESERVES POLICY**

The Governors aim to demonstrate prudence and good financial planning to cover the unexpected and unplanned in order to protect delivery of the Academy's primary objectives under unforeseen circumstances. Governors may also set aside reserves for investment in future years (e.g.: to improve or expand facilities).

The level of reserves at 31st August 2018 was as follows:

Revenue reserves: £611,138

Capital Cash reserves: £140,850

Pension deficit: £492,000 (see Note 25)

Free reserves represent unrestricted funds and these totalled £426,692 at 31 August 2018 (2017 - £571,918). Restricted general funds, including GAG, amounted to £184,446 (2017 - £163,212) and the restricted fixed asset fund amounted to £7,866,256 (2017 - £7,784,366).

To mitigate the risk of delayed funding the Governors feel it prudent to maintain a free reserve equivalent at minimum to at least one month's payroll expenditure.

To mitigate the risk of future income reduction and to provide a fund for building development, the Governors may provide further reserves determined on an annual basis in the Spring Term. Reserves are determined with reference to the in-year financial performance of the school and an assessment of the key risks and future investment requirements.

**b. MATERIAL INVESTMENTS POLICY**

The school aims to manage its cash balances to provide for the day to day financial management of the Academy. Where surplus cash funds exist the school seeks to optimise returns at minimal risk. Surplus funds are defined as funds in excess of those deemed to be needed to meet the day to day cash flow requirements for the financial management of the school taking into account the agreed minimum reserves level. The Business Manager will maximise investment return by investing surplus funds for up to 6 months in interest-bearing accounts with High Street Banks or Building Societies. Investments for longer periods or in riskier vehicles require the approval in advance of the Finance and General Purposes Committee (FGPC). The school received £5,526 in interest in the year 2017-18.

**c. PRINCIPAL RISKS AND UNCERTAINTIES**

The key financial risks for Debenham High School are a reduction to future income due to Government funding changes and/or falling pupil roll, or delays in receipt of grant funding, together with the increasing cost of staff pay and pension contributions.

Other financial risks include emergencies such as urgent maintenance issues, the cost of early teacher retirement due to ill health, changes in pension liabilities and redundancies due to a fall in income in real terms.

Governors continue to keep the financial risks and uncertainties under review, and mitigate those risks by maintaining an appropriate level of reserves.

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**d. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The school has a comprehensive Risk Management Plan which identifies the main risks to the school and the methods and strategies employed to mitigate those risks. A group of Governors from the Finance and General Purposes Committee together with the Business Manager review the plan and the controls in place on a regular basis. The Risk Management Plan categorises risk into the following categories: Compliance; Operational; Financial; Strategic and Reputational.

The transition to the implementation of the new national funding formula presents financial risks and uncertainties that need to be continually evaluated. The trend for Government funding is downwards in real terms and this will impact greatly on rural high schools such as ourselves. The Governors and SLT are acutely aware of the need to balance financial prudence with maintaining the top quality education provision Debenham prides itself upon. The 5-year budget plan has been drawn up with predictions for future funding levels and reserves are a critical part of the plan to ensure the future sustainability of the school. The school continues to be oversubscribed which bodes well for student number driven funding. The school performance and reputation are key areas instrumental to the current and future financial well-being of the school.

The day-to-day impact of cash flow on the bank balance and the school's level of creditors is monitored on a weekly and monthly basis. The level of debtors is minimal.

**Fundraising**

Debenham High School does not undertake material fundraising, but the low level fundraising that does take place within the trust conforms to recognised fundraising standards. The trust also raises small amounts of money for external charities.

The trust does not work with commercial participators or professional fundraisers.

No complaints about the way we raise funds were received in the period. We always seek to act in ways that are open, honest and respectful.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

The Governors will continue to pursue the aims and objects of the school according to the prevailing circumstances. The aims and objects may be modified if circumstances dictate.

Governors will continue to focus on:

- Developing educational facilities at the school within the constraints of current and predicted funding levels
- Further develop the Teaching School Alliance. This will work across the local area and has partners at primary and secondary level, as well as the Diocese.
- Develop more formal partnerships with other schools such as through the creation of a Multi-Academy Trust or school to school support
- Continuing to refurbish the school as funding and grant opportunities allow. The Building Development Plan informs future spending and grant application decisions.

This is underpinned by the School Development Plan.

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**GOVERNORS' RESPONSIBILITIES STATEMENT**

The Governors (who act as governors of Debenham High School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company 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;
- 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 Governors 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 Governors 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 the ESFA/DfE have been applied for the purposes intended.

The Governors 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.

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**DISCLOSURE OF INFORMATION TO AUDITOR**

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Governors' report was approved by order of the Governing Body, as the company directors, on 4 December 2018 and signed on its behalf by:



**Mr David Carruthers**  
**Chair of Governors**

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As governors, we acknowledge we have overall responsibility for ensuring that Debenham 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 Governing Body 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 Debenham High School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mr Ronald Barker, Parent Governor	4	5
Rev Susan Bates, ex officio, Foundation Governor	5	5
*Mr David Carruthers, Chair of Governors- Foundation Governor	5	5
Mr Paul Debenham, Local Authority Governor	5	5
*Mrs Caroline Driver, Parent Governor	3	5
Dr David Egan, Co-opted by Governors	1	5
*Ms Siobhan Goodrich, Parent Governor	1	5
*Mr Timothy Green, Co-opted by Members	5	5
Mr Christopher Grover, Foundation Governor	4	5
Mrs Sheila Janson, Co-opted by Members	5	5
Dr Hilary Marlow, Foundation Governor	4	5
*Mr David McMillan, Staff Governor- Teacher	3	5
Mrs Jo Newman, Staff Governor- Teacher	4	5
*Mr David Ralph, Parent Governor	2	5
Mr Robert Stevenson, Parent Governor	3	5
Dr William Thomas, Co-opted by Governors	3	5
*Miss Julia Upton, ex officio, Head Teacher- Accounting Officer	5	5

\*Members of the Finance and General Purposes Committee.

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**DEBENHAM HIGH SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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The Finance and General Purposes Committee (FGPC) is a sub-committee of the main Governing Body and incorporates the function of an audit committee within its terms of reference. Its purpose is to scrutinise the school's finances and have financial oversight of the financial management of the school.

During the year the Committee reviewed the budget position for the year and budget and medium term forecasts for subsequent years, and monitored progress and expenditure relating to ongoing capital projects.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr David Carruthers, Chair of Governors - Foundation Governor	3	4
Mrs Caroline Driver, Parent Governor	4	4
Ms Siobhan Goodrich, Parent Governor	0	4
Mr Timothy Green, Co-opted by Members	4	4
Mr David McMillan, Staff Governor-Teacher	3	4
Mr David Ralph, Parent Governor	0	4
Mr Neil Serjeant, Member	1	4
Miss Julia Upton, Headteacher – Accounting Officer	4	4

#### **GOVERNANCE REVIEW**

The Governing Body is ambitious for the school and remains forward-looking. In 2015-16 they were involved in the strategic decision to become a Teaching School and considered in depth the benefits and downfalls of this for the school. The Governing Body remains cautious and considered about the future direction of the school and has made initial enquiries and attended training about growth as a trust, through meetings with the diocese, other local governing bodies and the LA.

The Governing Body use an external consultant who works with a number of stand-alone and sizeable Academy trusts to hold the performance of the Headteacher to account. The model for this performance review has been adapted in the last year, to be even more robust and to utilise performance data for the school in the context of the national picture. The consultant is able to share their experience from other settings to allow Governors to compare the performance of the school.

The Governing Body use financial benchmarking data to set targets for the probity of the school and to scrutinize and challenge the economic plan for the school for the next five years.

The Chair of the Governing Body has completed the Chair of Governors' Leadership Development Programme with the National College for Teaching and Leadership.

The Governing Body visit the school regularly, observe and engage in the review process. This includes observing the process of lesson reviews, pupil perception interviews and meetings with middle leaders to review data and performance of students and staff. These visits are then shared at the Governing Body meeting for the awareness of all.

An annual audit of Governor skills is undertaken and should gaps in knowledge or experience be identified appropriate Governor training is completed. In 2016-17 the Governing Body utilized the support of the LA Governor training services, and to continue to develop expertise, the governors subscribed to the National Governance Association (NGA) services in October 2017.

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**DEBENHAM HIGH SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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 Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

**Improving Education Outcomes**

As clarified in the Strategic report: Achievements and Performance Debenham High School continues to meet the highest educational outcomes for students. The school is over-subscribed and continues to be popular beyond our catchment.

Attainment and progress measures, as recognised earlier, are significantly above national averages and place the school in the top 5% of 11-16 state-funded schools for both progress and attainment.

The school continues to examine its practice using external consultants, local authority advisors and colleagues from other schools in order to benchmark our performance and continually evaluate its improvement.

**Staffing**

As a Church of England School, Debenham High School has close links with a number of local Christian places of worship. This includes the St Mary Magdalen Church of England in Debenham.

The school is committed to staff development and training of all staff. It benefits from an experienced team of staff and low turnover of staff. In September 2014 a one-year Graduate Intern role was introduced to further develop opportunities for the next generation of teachers. The scheme has been continued in subsequent years. Many of these employees have progressed onto teacher training courses.

**Financial Oversight and Governance**

The school has benchmarked its financial performance against other Norfolk Suffolk Academy schools. The school financial performance is broadly in line with schools of similar size and environment. The Governors have set financial performance targets and the budget has been set accordingly but with a clear focus on enabling the delivery of the School Development Plan (SDP).

Strategic budget plans are drawn up to ensure successful delivery of aims and goals of the School Development Plan (SDP) together with an awareness of future changes in funding streams and changes in employment related costs. Careful consideration has been given to the changes in national insurance and employer pension contributions and the direct impact that this will have on spending without an increase in income. A balance is struck between providing top quality education whilst planning and ensuring financial sustainability for existing and future cohorts. The Governing Body approves the budget each year and considers the need to balance expenditure against income to ensure that the Academy remains a 'going concern'.

The FGPC plays an active and robust role in their oversight of the school's financial wellbeing. The school continually ensures the financial health of the school with prudent financial management by a combination of regular Governor meetings, visits from internal audit, now provided by an independent auditor, regular management account reports and strategic budget planning. Internal audit have consistently graded the financial management, governance and control as outstanding.

The school maintains an up to date risk register that is reviewed and updated at least once a year.

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**DEBENHAM HIGH SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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**Purchasing, ensuring best-value**

The school financial regulations govern the procurement methods to be used within and above certain financial boundaries. The best price is sought at the discretion of the finance team for smaller value purchases and bulk discounts are obtained where individual department orders can be combined. Best value is considered to be a balance of price, quality of service and efficiency.

**Future plans**

Following the school's successful designation as a Teaching School in March 2016 the school will continue to develop this outward-facing role as a leading educational institution.

The school is still open to consideration of the expansion of the Academy Trust to work more formally with other schools in the future, but is content with the position of the school in terms of its strategic direction at this time.

**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 Debenham High School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Governing Body 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 Governing Body 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The school uses a comprehensive Risk Management Plan which identifies the main risks to the school and the methods and strategies employed to mitigate those risks. A group of Governors from the FGPC and the Business Manager review the plan and the controls in place formally once a year in the Summer Term but risks are considered every time a decision is taken.



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**DEBENHAM HIGH SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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**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 Governing Body;
- 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 Governing Body has considered the need for a specific internal audit function during this accounting period.

In 2017-18, the Governors appointed MacIntyre Hudson to undertake a supplementary programme of work and who report directly to the Finance and General Purposes Committee and visit the school to carry out 2 control reviews per year. The Risk Management Plan drives the focus of reviews and enables the Governors and the Accounting Officer to discharge their duty to ensure internal controls are robust and appropriate.

During the year two internal audit reviews were carried out which encompassed the system for recording and monitoring Teaching School transactions, and a review of controls relating to capital projects and fixed assets. The control environment in place was assessed as robust. The Governing Body no longer appoints an individual to the role of Responsible Officer.

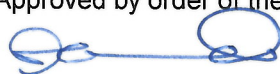
**REVIEW OF EFFECTIVENESS**

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 internal auditor who has undertaken a supplementary programme of work;
- the work of the external auditor;
- the work of the School Business Manager and Bursar who have the responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 Governing Body on 4 December 2018 and signed on their behalf, by:



**Mr David Carruthers**  
**Chair of Governors**

**Miss Julia Upton**  
**Accounting Officer**



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**DEBENHAM HIGH SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Debenham High School I have considered my responsibility to notify the academy trust board of governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of governors 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 2017.

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 governors and ESFA.



**Miss Julia Upton**  
**Accounting Officer**

Date: 4 December 2018

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**DEBENHAM HIGH SCHOOL**  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
DEBENHAM HIGH SCHOOL**

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**OPINION**

We have audited the financial statements of Debenham High School (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
DEBENHAM HIGH SCHOOL**

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**OTHER INFORMATION**

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report.

We have nothing to report in respect of the following matters in relation to which 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
DEBENHAM HIGH SCHOOL**

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**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Governors' responsibilities, the Governors (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, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**USE OF OUR REPORT**

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

*Larking Gowen LLP*

Christopher Yeates FCA DChA (Senior statutory auditor)

for and on behalf of

**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors

Ipswich  
17 December 2018

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**DEBENHAM HIGH SCHOOL**  
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DEBENHAM HIGH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 2 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Debenham High School during the year 1 September 2017 to 31 August 2018 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 Debenham High School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Debenham High School and the ESFA 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 Debenham High School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF DEBENHAM HIGH SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Debenham High School's funding agreement with the Secretary of State for Education dated 31 December 2010, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion, includes but is not limited to:

- Enquiry of senior management and the Academy Trust's Governors;
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest;
- Observation and re-performance of the financial controls; and
- Review of reports from the internal auditors undertaken during the year.

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DEBENHAM  
HIGH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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**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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Larking Gowen LLP*

**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors

Ipswich

17 December 2018

**DEBENHAM HIGH SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	7,898	195	163,743	171,836	1,092,634
Charitable activities: funding for the Academy's educational operations	3	356,994	3,222,868	-	3,579,862	3,518,058
Teaching school income	3,29	22,506	112,080	-	134,586	115,261
Other trading activities	4	55,540	-	-	55,540	77,646
Investment Income	5	5,526	-	-	5,526	3,735
<b>TOTAL INCOME</b>		<b>448,464</b>	<b>3,335,143</b>	<b>163,743</b>	<b>3,947,350</b>	<b>4,807,334</b>
<b>EXPENDITURE ON:</b>						
Charitable activities:						
Teaching school expenditure	29	15,481	114,735	-	130,216	119,208
Educational operations		396,593	3,261,366	300,228	3,958,187	3,760,900
Other resources expended	8	19,049	-	-	19,049	32,067
<b>TOTAL EXPENDITURE</b>	6,	<b>431,123</b>	<b>3,376,101</b>	<b>300,228</b>	<b>4,107,452</b>	<b>3,912,175</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>17,341</b>	<b>(40,958)</b>	<b>(136,485)</b>	<b>(160,102)</b>	<b>895,159</b>
Transfers between Funds	20	(164,567)	(53,808)	218,375	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(147,226)</b>	<b>(94,766)</b>	<b>81,890</b>	<b>(160,102)</b>	<b>895,159</b>
Actuarial gains on defined benefit pension schemes	25	-	234,000	-	234,000	633,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(147,226)</b>	<b>139,234</b>	<b>81,890</b>	<b>73,898</b>	<b>1,528,159</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		571,918	(444,788)	7,784,366	7,911,496	6,383,337
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>424,692</b>	<b>(305,554)</b>	<b>7,866,256</b>	<b>7,985,394</b>	<b>7,911,496</b>



**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07467445**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	14		7,847,318		7,144,045
<b>CURRENT ASSETS</b>					
Stocks	15	4,500		4,296	
Debtors	16	231,992		146,255	
Investments	17	-		500,000	
Cash at bank and in hand		732,511		1,155,367	
			<u>969,003</u>		<u>1,805,918</u>
<b>CREDITORS:</b> amounts falling due within one year	18		<u>(244,339)</u>		<u>(308,552)</u>
<b>NET CURRENT ASSETS</b>			<u>724,664</u>		<u>1,497,366</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,571,982</u>		<u>8,641,411</u>
<b>CREDITORS:</b> amounts falling due after more than one year	19		<u>(94,588)</u>		<u>(121,915)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>8,477,394</u>		<u>8,519,496</u>
Defined benefit pension scheme liability	25		<u>(492,000)</u>		<u>(608,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>7,985,394</u>		<u>7,911,496</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	20	186,446		163,212	
Restricted fixed asset funds	20	7,866,256		7,784,366	
Restricted income funds excluding pension liability			<u>8,052,702</u>		<u>7,947,578</u>
Pension reserve	20	(492,000)		(608,000)	
Total restricted income funds			<u>7,560,702</u>		<u>7,339,578</u>
Unrestricted income funds	20		<u>424,692</u>		<u>571,918</u>
<b>TOTAL FUNDS</b>			<u>7,985,394</u>		<u>7,911,496</u>

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2018**

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The financial statements on pages 30 to 57 were approved by the Governors, and authorised for issue, on 4 December 2018 and are signed on their behalf, by:



**Mr David Carruthers**  
**Chair of Governors**

**DEBENHAM HIGH SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	22	<u>(61,296)</u>	<u>210,637</u>
<b>Cash flows from investing activities:</b>			
Interest		5,526	3,735
Proceeds from the sale of tangible fixed assets		-	4,500
Purchase of tangible fixed assets		(1,003,501)	(574,988)
Capital grants from DfE Group		163,743	1,076,777
Movement on investment in long term deposits		500,000	(500,000)
<b>Net cash (used in)/provided by investing activities</b>		<u>(334,232)</u>	<u>10,024</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(27,328)	(27,330)
<b>Net cash used in financing activities</b>		<u>(27,328)</u>	<u>(27,330)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(422,856)</b>	<b>193,331</b>
Cash and cash equivalents brought forward		<u>1,155,367</u>	<u>962,036</u>
<b>Cash and cash equivalents carried forward</b>	23	<u><u>732,511</u></u>	<u><u>1,155,367</u></u>

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Debenham High School constitutes a public benefit entity as defined by FRS 102.

**1.2 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 Academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Income related to Pupil Premium is recognised in the Statement of Financial Activities of the Academy once it has entitlement to the income. Amounts accrued are included in income and recognised as an asset.

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Depreciation charges are allocated on the portion of the asset's use.

**Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy appointed to charitable activities.

**Expenditure on Raising Funds**

This includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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:

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

Leasehold land	-	0.8% (125 years) straight line
Long leasehold buildings and building extensions	-	2% (50 years) straight line
Building enhancements	-	5% (20 years) straight line with nil residual value
Fixtures, fittings & equipment	-	10% (10 years) straight line with nil residual value
Plant and machinery	-	20% (5 years) straight line with nil residual value
ICT equipment & software	-	33% (3 years) straight line with nil residual value
Motor vehicles	-	20% (5 years) straight line with nil residual value

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 incorporating income and expenditure account.

**1.6 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.7 Provisions**

Provisions are recognised when the Academy has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.8 Leased assets**

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

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.9 Financial instruments**

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

*Financial assets* - Prepayments are not financial instruments. Cash at bank and current asset investments are classified as basic financial instruments and measured at face value.

*Financial liabilities* - trade creditors, other loans, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.10 Stock**

Liquid Propane Gas, Wood Pellet and Catering stock is valued at the lower of cost or net realisable value.

**1.11 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.

**1.12 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.13 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Bank accounts with a maturity date in excess of three months are included within current asset investments on the balance sheet.

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**DEBENHAM HIGH SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Pensions benefits**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes 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 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 quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.15 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 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/donor and include grants from the Department for Education Group.



**DEBENHAM HIGH SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.16 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Academy makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	7,898	195	-	8,093	15,857
Capital Grants	-	-	163,743	163,743	1,076,777
	<u>7,898</u>	<u>195</u>	<u>163,743</u>	<u>171,836</u>	<u>1,092,634</u>
<i>Total 2017</i>	<u>15,227</u>	<u>630</u>	<u>1,076,777</u>	<u>1,092,634</u>	

**DEBENHAM HIGH SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**3. CHARITABLE ACTIVITIES: FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS AND TEACHING SCHOOL**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
<b>DfE/ESFA grants</b>				
General Annual Grant	-	3,091,347	3,091,347	3,074,734
Pupil Premium	-	84,237	84,237	81,343
Other DfE/ESFA Grants	-	5,225	5,225	5,359
Teaching School	16,850	112,080	128,930	111,300
	<u>16,850</u>	<u>3,292,889</u>	<u>3,309,739</u>	<u>3,272,736</u>
<b>Other government grants</b>				
SCITT Funding	1,500	11,679	13,179	25,152
High Tariff Need Grant	-	23,332	23,332	29,502
LA Pupil Premium	-	6,928	6,928	-
Other Government Grants	2,008	120	2,128	9,183
	<u>3,508</u>	<u>42,059</u>	<u>45,567</u>	<u>63,837</u>
<b>Other funding</b>				
Catering income	163,673	-	163,673	168,065
Academy trips	189,813	-	189,813	124,720
Teaching School	5,656	-	5,656	3,961
	<u>359,142</u>	<u>-</u>	<u>359,142</u>	<u>296,746</u>
Total 2018	<u>379,500</u>	<u>3,334,948</u>	<u>3,714,448</u>	<u>3,633,319</u>
<i>Total 2017</i>	<u>298,351</u>	<u>3,334,968</u>	<u>3,633,319</u>	

**DEBENHAM HIGH SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Items sold	27,059	-	27,059	43,572
Income from services provided	25,166	-	25,166	30,468
Hire of facilities	3,315	-	3,315	3,606
	<u>55,540</u>	<u>-</u>	<u>55,540</u>	<u>77,646</u>
<i>Total 2017</i>	<u>77,646</u>	<u>-</u>	<u>77,646</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	5,526	-	5,526	3,735
	<u>5,526</u>	<u>-</u>	<u>5,526</u>	<u>3,735</u>
<i>Total 2017</i>	<u>5,526</u>	<u>-</u>	<u>5,526</u>	

**6. EXPENDITURE ON CHARITABLE ACTIVITIES**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Staff Costs:					
Direct costs	2,664,436	-	-	2,664,436	2,615,279
Support costs	348,209	-	-	348,209	336,517
Premises: Support costs	-	167,669	-	167,669	142,788
Other Costs:					
Direct costs	-	-	518,195	518,195	433,892
Support costs	-	-	389,894	389,894	351,632
	<u>3,012,645</u>	<u>167,669</u>	<u>908,089</u>	<u>4,088,403</u>	<u>3,880,108</u>
<i>Total 2017</i>	<u>2,951,796</u>	<u>142,788</u>	<u>785,524</u>	<u>3,880,108</u>	

**DEBENHAM HIGH SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**7. SUPPORT COSTS**

	Staff Costs £	Premises £	Other Costs £	Total 2018 £	Total 2017 £
Staff development	4,236	-	-	4,236	5,228
Depreciation	-	-	243,249	243,249	208,386
Technology costs	-	-	12,017	12,017	10,102
Premises costs	-	167,669	-	167,669	142,788
Other support costs	-	-	120,756	120,756	121,951
Governance costs	-	-	13,872	13,872	11,193
Wages and salaries	343,973	-	-	343,973	331,289
	<u>348,209</u>	<u>167,669</u>	<u>389,894</u>	<u>905,772</u>	<u>830,937</u>
<i>Total 2017</i>	<u>336,517</u>	<u>142,788</u>	<u>351,632</u>	<u>830,937</u>	

**8. OTHER RESOURCES EXPENDED**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Items for resale	19,049	19,049	32,067
	<u>19,049</u>	<u>19,049</u>	<u>32,067</u>
<i>Total 2017</i>	<u>32,067</u>	<u>32,067</u>	

**9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the school	300,228	249,338
Auditors' remuneration	7,500	4,000
Auditors' remuneration - non-audit	4,425	2,625
	<u>312,153</u>	<u>256,563</u>

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**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries (see breakdown below)	2,887,690	2,841,628
Operating costs of defined benefit pension schemes	102,000	91,000
	2,989,690	2,932,628
Staff development expenses	13,828	5,720
Indirect employee costs	9,127	13,448
	3,012,645	2,951,796

**b. Staff numbers**

The average number of persons employed by the Academy during the year was as follows:

	2018	2017
	No.	No.
Teachers	41	42
Admin & Support	53	52
Management	5	5
	99	99

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	36	37
Admin & Support	29	31
Management	5	5
	70	73

**c. Higher paid staff**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018	2017
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £80,001 - £90,000	1	1

2 (2017 - 1) of the above employees participated in the Teachers' Pension Scheme.

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**10. STAFF COSTS (continued)**

**d. Key management personnel**

Key management personnel consists of the Headteacher, School Business Manager, Deputy Headteacher, Assistant Headteachers and staff governors. The total remuneration payable to these 7 staff members (2017 - 9) was £478,261 (2017 - £482,820).

**Wages and salaries breakdown**

	<b>2018</b>	<b>2017</b>
	£	£
Wages and salaries	<b>2,328,828</b>	2,293,473
Social security costs	<b>212,749</b>	208,671
Pension costs	<b>346,113</b>	339,484
	<b>2,887,690</b>	2,841,628
	<b>2,887,690</b>	2,841,628
	<b>2018</b>	<b>2017</b>
	£	£
of which supply teacher costs	<b>21,403</b>	10,314
	<b>21,403</b>	10,314
	<b>21,403</b>	10,314

**11. GOVERNORS' REMUNERATION AND EXPENSES**

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		<b>2018</b>	<b>2017</b>
		£	£
Miss J Upton, Headteacher	Remuneration	<b>85,000-90,000</b>	80,000-85,000
	Pension contributions paid	<b>0-5,000</b>	0-5,000
Mr D McMillan	Remuneration	<b>40,000-45,000</b>	40,000-45,000
	Pension contributions paid	<b>5,000-10,000</b>	5,000-10,000
Mrs J Newman	Remuneration	<b>35,000-40,000</b>	40,000-45,000
	Pension contributions paid	<b>5,000-10,000</b>	5,000-10,000
Mrs E Wnukoski	Remuneration	<b>N/A</b>	0-5,000
	Pension contributions paid	<b>N/A</b>	0-5,000

During the year ended 31 August 2018, no Governors received any reimbursement of expenses (2017 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**12. GOVERNORS' 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 £10,000,000 on any one claim. The premiums paid for the years ended 31 August 2018 and 31 August 2017 could not be separated from the single general insurance premium (in which this insurance was included).

**13. OTHER FINANCE INCOME**

	<b>2018</b>	<i>2017</i>
	<b>£</b>	<i>£</i>
Interest income on pension scheme assets	<b>48,000</b>	<i>32,000</i>
Interest on pension scheme liabilities	<b>(64,000)</b>	<i>(56,000)</i>
	<b>(16,000)</b>	<i>(24,000)</i>

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**14. TANGIBLE FIXED ASSETS**

	Leasehold land & buildings £	Motor vehicles £	Assets under construction £	Plant and machinery £	Furniture and equipment £
<b>Cost</b>					
At 1 September 2017	7,462,376	26,015	354,684	31,782	183,473
Additions	886,927	-	-	15,563	41,559
Transfer between classes	319,454	-	(354,684)	-	35,230
At 31 August 2018	<u>8,668,757</u>	<u>26,015</u>	<u>-</u>	<u>47,345</u>	<u>260,262</u>
<b>Depreciation</b>					
At 1 September 2017	830,873	4,769	-	30,989	96,418
Charge for the year	236,475	5,203	-	1,571	24,341
At 31 August 2018	<u>1,067,348</u>	<u>9,972</u>	<u>-</u>	<u>32,560</u>	<u>120,759</u>
<b>Net book value</b>					
At 31 August 2018	<u>7,601,409</u>	<u>16,043</u>	<u>-</u>	<u>14,785</u>	<u>139,503</u>
At 31 August 2017	<u>6,631,503</u>	<u>21,246</u>	<u>354,684</u>	<u>793</u>	<u>87,055</u>
				<b>Computer equipment and software £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 September 2017				144,232	8,202,562
Additions				59,452	1,003,501
Transfer between classes				-	-
At 31 August 2018				<u>203,684</u>	<u>9,206,063</u>
<b>Depreciation</b>					
At 1 September 2017				95,468	1,058,517
Charge for the year				32,638	300,228
At 31 August 2018				<u>128,106</u>	<u>1,358,745</u>
<b>Net book value</b>					
At 31 August 2018				<u>75,578</u>	<u>7,847,318</u>
At 31 August 2017				<u>48,764</u>	<u>7,144,045</u>



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**14. TANGIBLE FIXED ASSETS (continued)**

The academy's transactions relating to land and buildings included the completion of construction of a new roof and new teaching block at a value of £886,927.

There were costs of £354,684 included in assets in the course of construction in the previous year. These capital costs were transferred to leasehold land and buildings and depreciated accordingly upon completion of the asset.

**15. STOCKS**

	2018	2017
	£	£
Fuel and catering stock	<u>4,500</u>	<u>4,296</u>

**16. DEBTORS**

	2018	2017
	£	£
Prepayments and accrued income	51,568	44,122
Tax recoverable	180,424	102,133
	<u>231,992</u>	<u>146,255</u>

**17. CURRENT ASSET INVESTMENTS**

	2018	2017
	£	£
Long term deposit accounts (maturity period greater than three months from acquisition)	<u>-</u>	<u>500,000</u>

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

	2018	2017
	£	£
Other loans	27,327	27,327
Trade creditors	42,153	96,880
Other taxation and social security	54,014	52,112
Other creditors	8,974	81,711
Accruals and deferred income	111,871	50,522
	<u>244,339</u>	<u>308,552</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. CREDITORS: Amounts falling due within one year (continued)**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2017	<b>28,903</b>	13,994
Resources deferred during the year	<b>25,510</b>	28,903
Amounts released from previous years	<b>(28,903)</b>	(13,994)
	<hr/> <b>25,510</b> <hr/>	<hr/> 28,903 <hr/>

At the balance sheet date the Academy was holding funds received in advance for school meals and school trips relating to the next academic year.

**19. CREDITORS: Amounts falling due after more than one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other loans	<b>94,588</b>	121,915
	<hr/> <b>94,588</b> <hr/>	<hr/> 121,915 <hr/>

The Academy took advantage of a lighting replacement scheme offered by the Local Authority during 2011-12. The Local Authority replaced obsolete, costly to run, lights with efficient, effective modern 'eco' lighting in a significant proportion of the Academy. The Academy entered into an agreement to pay back the Local Authority over seven years with two years still remaining. The amount to repay is broadly equivalent to the anticipated cost saving in electricity. This arrangement has the approval of the Secretary of State.

In 2014 the ESFA awarded a Condition Improvement Fund Grant (CIF) of £1,090,500 to replace the boilers and heating infrastructure. As part of this agreement the Academy was awarded a Salix loan for £164,800 to be repaid over eight years interest free. Repayments commenced in April 2016.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	571,918	448,464	(431,123)	(164,567)	-	424,692
<b>Restricted funds</b>						
General Annual Grant (GAG)	113,179	3,175,584	(3,094,244)	(45,420)	-	149,099
Other restricted reserves	3,426	47,479	(49,122)	-	-	1,783
Teaching School Fund	46,607	112,080	(114,735)	(8,388)	-	35,564
Pension reserve	(608,000)	-	(118,000)	-	234,000	(492,000)
	<u>(444,788)</u>	<u>3,335,143</u>	<u>(3,376,101)</u>	<u>(53,808)</u>	<u>234,000</u>	<u>(305,554)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	3,117,264	163,743	(159,420)	(10,552)	-	3,111,035
Other government capital grants	51,021	-	(219)	-	-	50,802
Capital expenditure from GAG	9,756	-	(19,896)	55,972	-	45,832
Capital expenditure from other funds	4,606,325	-	(120,693)	172,955	-	4,658,587
	<u>7,784,366</u>	<u>163,743</u>	<u>(300,228)</u>	<u>218,375</u>	<u>-</u>	<u>7,866,256</u>
Total restricted funds	<u>7,339,578</u>	<u>3,498,886</u>	<u>(3,676,329)</u>	<u>164,567</u>	<u>234,000</u>	<u>7,560,702</u>
Total of funds	<u>7,911,496</u>	<u>3,947,350</u>	<u>(4,107,452)</u>	<u>-</u>	<u>234,000</u>	<u>7,985,394</u>

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

The General Annual Grant is used for the normal running costs of the Academy and includes Pupil Premium. Details of the use of the Pupil Premium grant are reported, as expected by OFSTED, on the school website.

The Academy also received, from the Local Authority, High Needs Top up Funding which was expended on education support staff costs and other interventions to support those identified students.

Capital grants in the year relate to improvements of the infrastructure of the Academy, secured through the Condition Improvement Fund, which are due for completion in 2018/19.

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 2018.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
<b>General funds</b>						
General funds	599,586	394,959	(361,382)	(61,245)	-	571,918
<b>Restricted funds</b>						
General Annual Grant	22,647	3,156,077	(2,903,361)	(162,184)	-	113,179
Other restricted reserves	1,596	68,221	(66,391)	-	-	3,426
Teaching School Fund	54,010	111,300	(118,703)	-	-	46,607
Pension reserve	(1,126,000)	-	(213,000)	98,000	633,000	(608,000)
	<u>(1,047,747)</u>	<u>3,335,598</u>	<u>(3,301,455)</u>	<u>(64,184)</u>	<u>633,000</u>	<u>(444,788)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	2,097,634	1,076,777	(121,331)	64,184	-	3,117,264
Other government grants	51,021	-	-	-	-	51,021
Capital expenditure from GAG	31,310	-	(21,554)	-	-	9,756
Capital expenditure from other funds	4,651,533	-	(106,453)	61,245	-	4,606,325
	<u>6,831,498</u>	<u>1,076,777</u>	<u>(249,338)</u>	<u>125,429</u>	<u>-</u>	<u>7,784,366</u>
Total restricted funds	<u>5,783,751</u>	<u>4,412,375</u>	<u>(3,550,793)</u>	<u>61,245</u>	<u>633,000</u>	<u>7,339,578</u>
Total of funds	<u><u>6,383,337</u></u>	<u><u>4,807,334</u></u>	<u><u>(3,912,175)</u></u>	<u><u>-</u></u>	<u><u>633,000</u></u>	<u><u>7,911,496</u></u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,847,318	7,847,318
Current assets	500,218	327,932	140,853	969,003
Creditors due within one year	(75,526)	(141,486)	(27,327)	(244,339)
Creditors due in more than one year	-	-	(94,588)	(94,588)
Provisions for liabilities and charges	-	(492,000)	-	(492,000)
	<u>424,692</u>	<u>(305,554)</u>	<u>7,866,256</u>	<u>7,985,394</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	7,144,045	7,144,045
Current assets	613,851	300,656	891,411	1,805,918
Creditors due within one year	(41,933)	(137,444)	(129,175)	(308,552)
Creditors due in more than one year	-	-	(121,915)	(121,915)
Provisions for liabilities and charges	-	(608,000)	-	(608,000)
	<u>571,918</u>	<u>(444,788)</u>	<u>7,784,366</u>	<u>7,911,496</u>

**22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(160,102)	895,159
<b>Adjustment for:</b>		
Depreciation of tangible fixed assets	300,228	249,338
Returns on investments and servicing of finance	(5,526)	(3,735)
Capital grants	(163,743)	(1,076,777)
Profit on the sale of fixed assets	-	(4,500)
(Increase)/decrease in stocks	(204)	1,087
Increase in debtors	(85,737)	(108,263)
Increase/(decrease) in creditors	(64,212)	143,328
Defined benefit pension scheme cost less contributions payable	102,000	91,000
Defined benefit pension scheme finance cost	16,000	24,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(61,296)</u>	<u>210,637</u>

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**23. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2018</b>	<i>2017</i>
	£	£
Cash in hand	<b>222,214</b>	647,844
Notice deposits (less than 3 months)	<b>510,297</b>	507,523
Total	<b>732,511</b>	1,155,367

**24. CAPITAL COMMITMENTS**

At 31 August 2018 the Academy had capital commitments as follows:

	<b>2018</b>	<i>2017</i>
	£	£
Contracted for but not provided in these financial statements	<b>10,667</b>	849,203

**25. 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 Suffolk County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £nil were payable to the schemes at 31 August 2018 (*2017 - 42,905*) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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.

**Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the

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**25. PENSION COMMITMENTS (continued)**

valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £240,117 (2017 - £236,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £135,000 (2017 - £126,000), of which employer's contributions totalled £106,000 (2017 - £98,000) and employees' contributions totalled £29,000 (2017 - £28,000). The agreed contribution rates for future years are 21.1% for employers and variable 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. Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	<b>2018</b>	<b>2017</b>
Discount rate for scheme liabilities	<b>2.80 %</b>	<b>2.50 %</b>
Rate of increase in salaries	<b>2.70 %</b>	<b>2.70 %</b>
Rate of increase for pensions in payment / inflation	<b>2.40 %</b>	<b>2.40 %</b>

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**25. PENSION COMMITMENTS (continued)**

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

	<b>2018</b>	<i>2017</i>
Retiring today		
Males	<b>21.9 years</b>	<i>21.9 years</i>
Females	<b>24.4 years</b>	<i>24.4 years</i>
Retiring in 20 years		
Males	<b>23.9 years</b>	<i>23.9 years</i>
Females	<b>26.4 years</b>	<i>26.4 years</i>

<b>Sensitivity analysis</b>	<b>At 31 August 2018</b>	<i>At 31 August 2017</i>
	<b>£</b>	<i>£</i>
Discount rate +0.1%	<b>63,800</b>	<i>58,800</i>
Discount rate -0.1%	<b>(63,800)</b>	<i>(58,800)</i>
Mortality assumption - 1 year increase	<b>101,880</b>	<i>98,400</i>
Mortality assumption - 1 year decrease	<b>(101,880)</b>	<i>(98,400)</i>
CPI rate +0.1%	<b>52,600</b>	<i>47,000</i>
CPI rate -0.1%	<b>(52,600)</b>	<i>(47,000)</i>

For sensitivity purposes the Actuary has advised that they estimate that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by 3-5%, but that in practice the actual cost would depend on the structure of the revised assumption. The table above discloses the monetary impact of a 4% change.

The Academy's share of the assets in the scheme was:

	<b>Fair value at 31 August 2018</b>	<i>Fair value at 31 August 2017</i>
	<b>£</b>	<i>£</i>
Equities	<b>1,274,000</b>	<i>1,259,000</i>
Debt instruments	<b>555,000</b>	<i>389,000</i>
Property	<b>206,000</b>	<i>185,000</i>
Cash	<b>20,000</b>	<i>19,000</i>
Total market value of assets	<b><u>2,055,000</u></b>	<i><u>1,852,000</u></i>

The actual return on scheme assets was £94,000 (2017 - £295,000).



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**25. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(208,000)	(189,000)
Interest income	48,000	32,000
Interest cost	(64,000)	(56,000)
Total	<u>(224,000)</u>	<u>(213,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	2,460,000	2,579,000
Current service cost	208,000	189,000
Interest cost	64,000	56,000
Employee contributions	29,000	28,000
Actuarial gains	(188,000)	(370,000)
Benefits paid	(26,000)	(22,000)
Closing defined benefit obligation	<u>2,547,000</u>	<u>2,460,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	1,852,000	1,453,000
Return on plan assets (excluding net interest on the net defined pension liability)	48,000	32,000
Actuarial gains/(losses)	46,000	263,000
Employer contributions	106,000	98,000
Employee contributions	29,000	28,000
Benefits paid	(26,000)	(22,000)
Closing fair value of scheme assets	<u>2,055,000</u>	<u>1,852,000</u>

	2018 £	2017 £
Present value of scheme obligations	(2,547,000)	(2,460,000)
Fair value of share of scheme assets	2,055,000	1,852,000
Total	<u>(492,000)</u>	<u>(608,000)</u>

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**26. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	<b>5,895</b>	5,895
Between 1 and 5 years	<b>4,422</b>	10,317
Total	<b>10,317</b>	16,212

**27. MEMBERS' LIABILITY**

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

**28. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust 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 Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

Mrs Sarah Ralph is the wife of Mr David Ralph. Mrs Sarah Ralph was employed as a supply teacher on a contract approved by the governors. The remuneration package provided is in line with the standard payscale for this role and her employment contract is subject to normal terms and conditions. Her employment is authorised by the Articles.

The Diocesan Board of Education is a related party due to its powers in relation to the appointment of the company's members. Purchases during the period totalled £550 (2017: £550). No amounts were outstanding at the year end.

No other transactions have taken place during the period of account.

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**29. TEACHING SCHOOL TRADING ACCOUNT**

	2018 £	2018 £	2017 £	2017 £
<b>INCOME</b>				
<b>DIRECT INCOME</b>				
Grant income	128,930		111,300	
<b>OTHER INCOME</b>				
Services provided	5,656		3,961	
<b>TOTAL INCOME</b>		<b>134,586</b>		<b>115,261</b>
<b>EXPENDITURE</b>				
<b>DIRECT EXPENDITURE</b>				
Direct staff costs	72,263		73,997	
Staff development	2,350		-	
Direct project costs	45,300		32,958	
Support staff	9,353		11,502	
Audit fees	950		750	
<b>TOTAL EXPENDITURE</b>		<b>130,216</b>		<b>119,207</b>
<b>SURPLUS / (DEFICIT) FROM ALL SOURCES</b>		<b>4,370</b>		<b>(3,946)</b>
<b>TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017</b>		<b>50,063</b>		<b>54,009</b>
<b>TEACHING SCHOOL BALANCES AT 31 AUGUST 2018</b>		<b>54,433</b>		<b>50,063</b>