

BURY ST EDMUNDS ACADEMY TRUST

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

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BURY ST EDMUNDS ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Member Trustees	M Culpin, Vice Chair R Fletcher, Chair of Trustees V Neale I Cox N Templeton M Travell (appointed 11 March 2014) C Pamplin (appointed 11 March 2014) T Johnson G Swayne (appointed 11 March 2014)
Company registered number	07697600
Principal and registered office	Beetons Way Bury St Edmunds IP32 6RF
Company secretary	J Smith
Senior management team	Mrs V Neale, Headteacher (County Upper School) Nr N Templeton, Headteacher (Westley Middle School) Mrs T Johnson, Headteacher (Horringer Court Middle School)
Independent auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank Plc Bury St Edmunds Suffolk IP33 3AH
Solicitors	Stone King LLP 16 St John's Lane London EC1M 4BS

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' Report of Bury St Edmunds Academy Trust (the academy) for the year ended 31 August 2014. The Trustees confirm that the Annual Report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Charitable Company operates Tollgate Primary School, Horringer Court Middle School, Westely Middle School and County Upper School academies in 2014; Barrow Primary School and Howard Middle School also work within the Trust but are not academies. County Upper School and Westley remain routinely oversubscribed and Horringer Court is almost full now after years of being undersubscribed prior to conversion.

Structure, governance and management

a. CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable in this report.

The Academy Trust comprises the following Schools

- Tollgate Primary, Horringer Court Middle, Westley Middle and County Upper School with Barrow Primary working in the Trust but not yet having academy status.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Arrangements as set out in the articles/funding agreement.

Recruitment to the Trust Board ensures due representation of parents, staff and community governors as well as representation from each phase (primary, middle and upper) and each academy.

Parent Governor vacancies are advertised on the schools' websites and communicated via the weekly information sheet. Staff Governor vacancies are advertised on the Staff noticeboards and communicated via staff briefings. Community Governor vacancies are advertised on the schools' websites. The management of the company is the responsibility of the governors who are appointed under the terms of the Articles of Association.

Governors are subject to retirement after a term of 4 years. After the term they are eligible for re-election at the meeting at which they retire.

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of governor, any governor can be re-appointed or re-elected.

All new Governors will be given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally very few new governors a year, induction tends to be done informally and is tailored specifically to the individual.

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

During the year under review the Academy Trust Board met termly. There were joint training sessions for governors across

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

the academies. The training and induction provided for new Governors depended on their existing experience. "How do I get started?" sessions were provided for all new governors on education, legal and financial matters.

e. ORGANISATIONAL STRUCTURE

The governance of the academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Directors (i.e. the MAT Board), which meets on at least 3 occasions per year, are responsible for setting general policy, adopting an annual plan and budget, monitoring the schools by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and staff appointments. This board contains the Accounting Officer (currently headteacher of County Upper School).

The SLT of each school report to the MAT board and their local governing bodies and are responsible at an executive level for implementing policies; responsible for the day to day operation of the school, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment process.

The Accounting Officer of the academy and has overall responsibility for the day to day financial management of the Charitable Company and has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own schools and departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

g. RISK MANAGEMENT

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

h. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the academy has purchased insurance to protect Directors, Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and aim of the Charitable Company is the operation of schools to provide free education and care for pupils of different abilities.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

During the year the individual schools have worked towards achieving these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements;
- conducting the academy's business in accordance with the highest standards of integrity

The Academy Trust aims to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. The Trust has developed all-through curriculum route plans from 4-16 which address both changes to the primary curriculum and GCSEs so as to prevent 'dips on transfer.' The Trust also has an all-through sports programme which is delivering primary sports, addressing fitness concerns and providing 'sporty Saturdays' and holiday activities.

c. PUBLIC BENEFIT

The Trustees believe that by working towards the objects and aims of the Academy Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and performance

a. GOING CONCERN

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

b. KEY FINANCIAL PERFORMANCE INDICATORS

The Trustees receive monthly information to enable them to monitor the performance of the constituent schools compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2014 were 1947.

Another key financial performance indicator is staffing costs as a percentage of total income, excluding income transferred on conversion. For 2013/14 this was 71%.

The operating surplus is calculated as the difference between total revenue and total expenditure (including depreciation on assets).

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The level of working capital is an indicator of a school's ability to operate financially and meet debts in the short term. Working capital is normally measured as a ratio of current assets to current liabilities.

c. REVIEW OF ACTIVITIES

Bury St Edmunds County Upper School marks the final school on the all-age continuum. It is an oversubscribed all-ability school taking students between the ages of thirteen and nineteen. There are some 1000 pupils on roll. The school is judged 'outstanding' by Ofsted and is renowned for both its extracurricular achievement and examination results. This summer the school had a 100% pass rate for A-levels. 92% were A*- C grades, being the highest maintained school in Suffolk. The GCSE pass rate was 100% for A*- G, 71% gaining 5+ A*- C results including English and Mathematics, one of only 3 schools in Suffolk to achieve over 70% on this main indicator.

Horringer Court Middle School is the middle group of all-through school covering ages 9-13. There are 358 pupils currently on roll with an ever increasing number from out of catchment. Attainment in English at KS2 has been consistently around the National Average for the last four years both at Level 4 and 5. There was a significant improvement in Maths over recent years. The combined Level 4+ for English and Maths stands equal to the National Average. Progress over the four years is good and stands at an average over the last four years of 17 points (APS) measured from entry to exit. Current predictions for KS2 and progress over four years show that a similar trend will prevail and is sustainable. It should be noted that our pupils with SEN achieve, by and large, similarly to those without SEN.

Westley Middle School is an oversubscribed middle school providing a broad and balanced curriculum for pupils aged 9-13. There are 478 pupils on roll. The school was judged as good with outstanding features in June 2013. The school provides an extensive extra curriculum covering art, music, sport, drama and much more. The SATs Results for 2013 were: Reading level 4+ 92% 2 levels progress 91%, Writing level 4+ 88% 2 levels progress 93%, and Maths level 4+ 85% 2 Levels progress 85%.

Tollgate Primary is a school which became an academy on 1 July 2014. Up to that point it was in Special Measures and is now making rapid progress with the support of the Trust. This has been confirmed by two independent visits.

Financial review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the EFA. For the year ended 31 August 2014 the Trust received £8,925,850 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Academy Trust spent all of its restricted funds, but had a surplus of £567,760 from its unrestricted funds carrying a surplus of £688,612 forward. The overall fund surplus carried forward, including fixed asset funds, was £32,836,450.

a. PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy trust, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

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The Directors assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The academy has appointed an Internal Auditor to receive the Responsible Officer's reports which carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

b. RESERVES POLICY

The Trustees are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £688,612. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The cash balance of the Academy Trust has been very healthy all year, ending the year with a balance of £1,172,900. The Directors have determined that they should hold a cash contingency equivalent to two weeks' expenditure, approximately £375,000. The Trust also has some capital plans to make better use of its sites and develop its provision in the upper phase. School Reorganisation in the rest of Bury St. Edmund's means there is considerable uncertainty about what additional places, resources and classrooms the Trust may need. This will be clearer in the next financial year and the Trust has ensured it has the reserves it needs to accommodate the impact of the reorganisation.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant pension fund deficit of £1,210,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

c. MATERIAL INVESTMENTS POLICY

Investment Plans were approved by the Directors in November 2013.

The aim of the plan is to ensure funds that the Academy Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Directors do not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

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TRUSTEES' REPORT (continued)
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Plans for future periods

a. FUTURE DEVELOPMENTS

The Trust's priorities are to get Tollgate Primary School to at least Good by the end of the academic year and with a new Senior Leadership team in post this is achievable; to continue to drive up standards at KS2 in the middle phase and to ensure that GCSE and 'A' level results in the upper phase remain at least as good as they are now when all the changes take effect. The Trust also has some capital plans to make better use of its sites and develop its provision in the upper phase.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

This report, incorporating the Strategic Report, was approved by order of the board of trustees, as the company directors, on 16 December 2014 and signed on the board's behalf by:

R Fletcher
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bury St Edmunds Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Culpin, Vice Chair	5	5
R Fletcher, Chair of Trustees	5	5
V Neale	5	5
I Cox	5	5
N Templeton	5	5
C Pamplin (appointed 11 March 2014)	3	3
T Johnson	4	5
G Swayne (appointed 11 March 2014)	3	3
M Travell (appointed 11 March 2014)	3	3

Governance reviews:

The main Board receives a report on results and predictions at every meeting. It approves and reviews the Trust improvement plan from which the individual school plans follow. It keeps the governance structure and admissions policy of the Trust under review. The most recent review of the Trust's work was the full Ofsted inspection of the largest school, County Upper, in 2013. It was graded 'Outstanding' in every category with governance forming part of the Leadership and Management judgment.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to monitor the annual budget, review management accounts and their performance against financial resources. It also reviews the investment plans regularly of the Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Cunningham	5	5
I Houlder	4	5
I Searle	4	5
J Bramwell	4	5
R Fletcher	5	5
R Knight	2	5
V Neale	5	5

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Bury St Edmunds Academy Trust for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Mr I Cox as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. Each school's internal auditor reports to it's school on a quarterly basis.

The appointee has delivered their schedule of work as planned.

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 board of trustees on 16th December 2014 and signed on its behalf, by:

R Fletcher
Chair of Trustees

Mrs V Neale
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Mrs V Neale
Accounting Officer

Date: 16th December 2014

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who act as governors of Bury St Edmunds Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 16 December 2014 and signed on its behalf by:

R Fletcher
Chair of Trustees

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF BURY ST EDMUNDS ACADEMY TRUST

We have audited the financial statements of Bury St Edmunds Academy Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF BURY ST EDMUNDS ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Gary Miller FCA (Senior Statutory Auditor)
For and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
17 December 2014

BURY ST EDMUNDS ACADEMY TRUST
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BURY ST EDMUNDS ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bury St Edmunds Academy Trust during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bury St Edmunds Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bury St Edmunds Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bury St Edmunds Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BURY ST EDMUNDS ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Bury St Edmunds Academy Trust's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BURY ST EDMUNDS ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other Key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

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

Gary Miller FCA (Reporting Accountant)

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date: 17th December 2014

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Assets transferred on conversion to academy	2,22	33,721	-	5,743,236	5,776,957	6,551,685
Other voluntary income	2	40,352	41,336	-	81,688	77,784
Activities for generating funds	3	245,467	30,728	-	276,195	226,206
Investment income	4	5,255	-	-	5,255	1,850
Incoming resources from charitable activities	5	21,976	9,037,487	342,546	9,402,009	9,131,285
TOTAL INCOMING RESOURCES		346,771	9,109,551	6,085,782	15,542,104	15,988,810
RESOURCES EXPENDED						
Charitable activities	7	209,173	8,749,542	567,385	9,526,100	9,168,342
Governance costs	8	-	55,728	-	55,728	23,892
TOTAL RESOURCES EXPENDED	6	209,173	8,805,270	567,385	9,581,828	9,192,234
NET INCOMING RESOURCES BEFORE TRANSFERS		137,598	304,281	5,518,397	5,960,276	6,796,576
Transfers between funds	17	430,162	(706,704)	276,542	-	-
NET INCOME FOR THE YEAR		567,760	(402,423)	5,794,939	5,960,276	6,796,576
Actuarial gains and losses on defined benefit pension schemes		-	(399,000)	-	(399,000)	(19,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		567,760	(801,423)	5,794,939	5,561,276	6,777,576
Total funds at 1 September 2013		120,852	118,867	27,035,455	27,275,174	20,497,598
TOTAL FUNDS AT 31 AUGUST 2014		688,612	(682,556)	32,830,394	32,836,450	27,275,174

All activities relate to continuing operations.

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

The notes on pages 19 to 35 form part of these financial statements.

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07697600

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	13		32,805,888		26,914,287
CURRENT ASSETS					
Debtors	14	387,634		158,424	
Cash at bank and in hand		1,172,900		1,366,285	
		<u>1,560,534</u>		<u>1,524,709</u>	
CREDITORS: amounts falling due within one year	15	(294,633)		(323,922)	
NET CURRENT ASSETS			<u>1,265,901</u>		<u>1,200,787</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>34,071,789</u>		<u>28,115,074</u>
CREDITORS: amounts falling due after more than one year	16		(25,339)		(37,900)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>34,046,450</u>		<u>28,077,174</u>
Defined benefit pension scheme liability	23		(1,210,000)		(802,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>32,836,450</u></u>		<u><u>27,275,174</u></u>
FUNDS OF THE ACADEMY					
Restricted funds :					
Restricted funds	17	527,444		920,867	
Restricted fixed asset funds	17	32,830,394		27,035,455	
		<u>33,357,838</u>		<u>27,956,322</u>	
Restricted funds excluding pension liability				27,956,322	
Pension reserve		(1,210,000)		(802,000)	
Total restricted funds			<u>32,147,838</u>		<u>27,154,322</u>
Unrestricted funds	17		688,612		120,852
TOTAL FUNDS			<u><u>32,836,450</u></u>		<u><u>27,275,174</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 16 December 2014 and are signed on their behalf, by:

R Fletcher
Chair of Trustees

The notes on pages 19 to 35 form part of these financial statements.

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	19	527,571	634,130
Returns on investments and servicing of finance	20	5,255	1,850
Capital expenditure and financial investment	20	(715,750)	(529,209)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		<u>(182,924)</u>	<u>106,771</u>
Financing	20	(10,461)	-
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u><u>(193,385)</u></u>	<u><u>106,771</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(193,385)	106,771
Cash outflow from decrease in debt and lease financing	10,461	-
	<u>-</u>	<u>-</u>
MOVEMENT IN NET FUNDS IN THE YEAR	(182,924)	106,771
Net funds at 1 September 2013	1,319,990	1,213,219
NET FUNDS AT 31 AUGUST 2014	<u><u>1,137,066</u></u>	<u><u>1,319,990</u></u>

The notes on pages 19 to 35 form part of these financial statements.

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

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

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

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.

1.5 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

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

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

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

Long term leasehold land	-	over the life of the lease (125 years)
Long term leasehold property	-	2% straight line
Motor vehicles	-	20% straight line
Office equipment	-	10% straight line
Computer equipment	-	33.33% straight line

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 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.

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a pension interest adjustment in note 7. Actuarial gains and losses are recognised immediately in other gains and losses.

1.11 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Tollgate Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Bury St Edmunds Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Assets transferred on conversion to academy	33,721	5,743,236	5,776,957	6,551,685
Donations	40,352	41,336	81,688	77,784
Voluntary income	<u>74,073</u>	<u>5,784,572</u>	<u>5,858,645</u>	<u>6,629,469</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Hire of facilities	58,177	-	58,177	51,124
Other income	187,290	30,728	218,018	175,082
	<u>245,467</u>	<u>30,728</u>	<u>276,195</u>	<u>226,206</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Investment income	5,255	-	5,255	1,850

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	8,121,763	8,121,763	8,045,996
Other DfE / EFA grants	-	734,087	734,087	595,079
Start up grant	-	70,000	70,000	-
	-	8,925,850	8,925,850	8,641,075
Other government grants				
Local authority grants	20,202	47,004	67,206	26,821
Other government grants	-	68,978	68,978	41,131
	20,202	115,982	136,184	67,952
Other funding				
Other incoming resources	-	9,707	9,707	113,781
Contributions towards school trip	1,774	328,494	330,268	308,477
	1,774	338,201	339,975	422,258
	21,976	9,380,033	9,402,009	9,131,285

6. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Provision of educational services					
- Direct costs	6,226,331	-	1,113,565	7,339,896	7,197,440
- Allocated support costs	760,251	965,525	460,428	2,186,204	1,941,902
Charitable activities	6,986,582	965,525	1,573,993	9,526,100	9,139,342
Governance	-	-	55,728	55,728	23,892
	6,986,582	965,525	1,629,721	9,581,828	9,163,234

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

7. CHARITABLE ACTIVITIES

	Total funds 2014 £	Total funds 2013 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	5,124,210	5,016,559
National insurance	375,350	383,181
Pension cost	726,771	696,646
Educational supplies	537,159	509,823
Examination fees	126,395	118,455
Staff development	28,825	32,232
Technology costs	97,425	86,691
Educational consultancy	134,984	129,768
Other costs	83,318	132,344
Agency supply teaching	105,459	91,741
	7,339,896	7,197,440
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	624,160	560,230
National insurance	32,512	29,755
Pension cost	103,579	76,144
Depreciation	567,385	422,781
LGPS FRS 17 adjustment	16,000	29,000
Travel & subsistence	5,608	5,946
Other Costs	242,624	230,407
Recruitment & support	6,162	4,001
Maintenance of premises & machinery	176,021	195,634
Cleaning	62,094	61,153
Rates	69,274	71,439
Energy	128,283	137,986
Insurance	101,206	92,114
Security	3,663	7,552
Catering	44,707	44,880
Bank interest & charges	2,926	1,880
	2,186,204	1,970,902
	9,526,100	9,168,342

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration Price Bailey	-	13,910	13,910	-
Auditors' non audit costs Price Bailey	-	5,500	5,500	-
Legal and professional	-	22,012	22,012	2,944
Auditors' remuneration MacIntyre Hudson	-	6,849	6,849	12,575
Auditors' non audit costs MacIntyre Hudson	-	7,457	7,457	8,373
	-	55,728	55,728	23,892
	-	55,728	55,728	23,892

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

9. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	5,695,375	5,507,208
Social security costs	407,862	412,936
Other pension costs (Note 23)	830,350	772,790
	6,933,587	6,692,934
Supply teacher costs	52,995	69,581
	6,986,582	6,762,515

b. Staff numbers

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

	2014 No.	2013 No.
Teachers	121	121
Administration and support	72	63
Management	9	10
	202	194
	202	194

c. Higher paid staff

The number of employees whose annualised emoluments fell within the following bands was:

	2014 No.	2013 No.
In the band £ 70,001 - £ 80,000	1	2
In the band £ 80,001 - £ 90,000	2	1
	3	3
	3	3

10. CENTRAL SERVICES

No central services were provided by the academy trust to its schools during the year and no central charges arose.

BURY ST EDMUNDS ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteachers and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the academy in respect of their role as Trustees. The value of Trustees' remuneration, including pension contributions fell within the following bands:

	2014 £	2013 £
N Templeton	80,000-85,000	80,000-85,000
V Neale	90,000-95,000	90,000-95,000
T Johnson	75,000-80,000	75,000-80,000

During the year, one Trustee received reimbursement of expenses totalling £1,145.

The value of Trustees' remuneration, excluding pension contributions fell within the following bands:

	2014 £	2013 £
N Templeton	70,000-75,000	70,000-75,000
V Neale	75,000-80,000	75,000-80,000
T Johnson	65,000-70,000	65,000-70,000

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 is included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Motor vehicles £	Office equipment £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2013	27,219,712	11,795	163,714	266,919	-	27,662,140
Additions	402,305	-	39,072	88,559	185,814	715,750
Assets transferred on conversion	5,736,000	-	1,750	5,486	-	5,743,236
At 31 August 2014	<u>33,358,017</u>	<u>11,795</u>	<u>204,536</u>	<u>360,964</u>	<u>185,814</u>	<u>34,121,126</u>
Depreciation						
At 1 September 2013	568,198	6,129	60,089	113,437	-	747,853
Charge for the year	435,794	3,150	36,715	91,726	-	567,385
At 31 August 2014	<u>1,003,992</u>	<u>9,279</u>	<u>96,804</u>	<u>205,163</u>	<u>-</u>	<u>1,315,238</u>
Net book value						
At 31 August 2014	<u>32,354,025</u>	<u>2,516</u>	<u>107,732</u>	<u>155,801</u>	<u>185,814</u>	<u>32,805,888</u>
At 31 August 2013	<u>26,651,514</u>	<u>5,666</u>	<u>103,625</u>	<u>153,482</u>	<u>-</u>	<u>26,914,287</u>

BURY ST EDMUNDS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

13. TANGIBLE FIXED ASSETS (continued)

The academy' transactions relating to land and buildings included:

- the taking up of a leasehold interest on 30 June 2014 with a fair value of £5,736,000 over a term of 125 years.

14. DEBTORS

	2014 £	2013 £
Trade debtors	11,795	4,649
Other debtors	118,099	50,950
Prepayments and accrued income	257,740	102,825
	387,634	158,424
	387,634	158,424

15. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Other loans	10,495	8,395
Trade creditors	20,330	70,214
Other taxation and social security	606	-
Accruals and deferred income	263,202	245,313
	294,633	323,922
	294,633	323,922

Deferred income

Deferred income at 1 September 2013		119,642
Resources deferred during the year		140,865
Amounts released from previous years		(119,642)
		140,865
Deferred income at 31 August 2014		140,865

At the balance sheet date the academy trust was holding funds in advance for contributions towards future school trips, ACMF grant and Universal Free School Meals covering from September 2014.

16. CREDITORS:
Amounts falling due after more than one year

	2014 £	2013 £
Other loans	25,339	37,900
	25,339	37,900
	25,339	37,900

Other loans relate to an Energy Efficiency Loan scheme and are being repaid over 7 and 4 years.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

17. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
General funds - all funds	120,852	346,771	(209,173)	430,162	-	688,612
Restricted funds						
General Annual Grant (GAG)	207,822	8,121,763	(7,995,447)	(26,857)	-	307,281
Start Up Grant	-	70,000	(19,900)	-	-	50,100
Other DfE/EFA revenue grants	13,422	395,473	(254,057)	(32,710)	-	122,128
Other government grants	4,548	112,050	(100,456)	10,983	-	27,125
Restricted donations	695,075	410,265	(426,410)	(658,120)	-	20,810
Pension reserve	(802,000)	-	(9,000)	-	(399,000)	(1,210,000)
	<u>118,867</u>	<u>9,109,551</u>	<u>(8,805,270)</u>	<u>(706,704)</u>	<u>(399,000)</u>	<u>(682,556)</u>
Restricted fixed asset funds						
Fixed assets	26,914,287	5,743,236	(567,385)	715,750	-	32,805,888
DfE/EFA capital grants	121,168	342,546	-	(439,208)	-	24,506
	<u>27,035,455</u>	<u>6,085,782</u>	<u>(567,385)</u>	<u>276,542</u>	<u>-</u>	<u>32,830,394</u>
Total restricted funds	<u>27,154,322</u>	<u>15,195,333</u>	<u>(9,372,655)</u>	<u>(430,162)</u>	<u>(399,000)</u>	<u>32,147,838</u>
Total of funds	<u><u>27,275,174</u></u>	<u><u>15,542,104</u></u>	<u><u>(9,581,828)</u></u>	<u><u>-</u></u>	<u><u>(399,000)</u></u>	<u><u>32,836,450</u></u>

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

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure.

There is a transfer from GAG relating to the contribution from GAG funding towards the maintenance of capital assets during the year and a transfer to GAG for restricted funds not separately identified.

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 2014.

Start Up Grant

This represents a grant to aid with start up costs for the academy on conversion in respect of Tollgate Primary school.

Other DfE/EFA grants

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals, looked after children and those from families with parents in the Armed Forces.

BURY ST EDMUNDS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

17. STATEMENT OF FUNDS (continued)

Other government grants

This represents other funding from the government towards the provision of education.

Restricted donations

This represents funding received towards specific purposes, including contributions towards school trips.

There is a transfer from this fund to unrestricted funds for balances on conversion in prior years which have no restrictions. There is also a transfer from this fund to GAG for restricted funds not separately identified

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a state controlled school.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 23 based on the period end valuation.

Restricted fixed asset fund

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a purpose. Additions purchased during the year have been transferred to this fund.

DfE/EFA Capital Grants

This fund represents the Academy's Devolved Formula Capital Funding and the Academy's Capital Maintenance Funding towards improvements and capital expenditure.

There is a transfer from this fund for the maintenance and purchase of capital assets during the year.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £
County Upper School	884,657
Westley Middle School	173,492
Horringer Court Middle School	109,736
Tollgate Primary School	48,171
	1,216,056
Total before fixed asset fund and pension reserve	1,216,056
Restricted fixed asset fund	32,830,394
Pension reserve	(1,210,000)
	32,836,450
Total	

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FOR THE YEAR ENDED 31 AUGUST 2014

17. STATEMENT OF FUNDS (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
County Upper School	3,714,753	460,637	280,239	891,468	5,347,097
Westley Middle School	1,414,207	150,863	173,665	310,478	2,049,213
Horringer Court Middle School	949,894	130,275	88,659	254,670	1,423,498
Tollgate Primary School	147,477	18,476	5,325	23,357	194,635
	<u>6,226,331</u>	<u>760,251</u>	<u>547,888</u>	<u>1,479,973</u>	<u>9,014,443</u>

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General funds	120,852	346,771	(209,173)	430,162	-	688,612
Restricted funds	118,867	9,109,551	(8,805,270)	(706,704)	(399,000)	(682,556)
Restricted fixed asset funds	27,035,455	6,085,782	(567,385)	276,542	-	32,830,394
	<u>27,275,174</u>	<u>15,542,104</u>	<u>(9,581,828)</u>	<u>-</u>	<u>(399,000)</u>	<u>32,836,450</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	32,805,888	32,805,888	26,914,287
Current assets	724,229	811,799	24,506	1,560,534	1,524,709
Creditors due within one year	(10,278)	(284,355)	-	(294,633)	(323,922)
Creditors due in more than one year	(25,339)	-	-	(25,339)	(37,900)
Provisions for liabilities and charges	-	(1,210,000)	-	(1,210,000)	(802,000)
	<u>688,612</u>	<u>(682,556)</u>	<u>32,830,394</u>	<u>32,836,450</u>	<u>27,275,174</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	5,960,276	6,796,576
Returns on investments and servicing of finance	(5,255)	(1,850)
Assets transferred on conversion	(5,743,236)	(6,551,685)
Depreciation of tangible fixed assets	567,385	422,782
Increase in debtors	(229,210)	(76,183)
(Decrease)/increase in creditors	(31,389)	31,490
FRS 17 adjustments	9,000	13,000
	527,571	634,130

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	5,255	1,850
	5,255	1,850
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(715,750)	(529,209)
	(715,750)	(529,209)
Financing		
Repayment of loans	(10,461)	-
	(10,461)	-

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	1,366,285	(193,385)	-	1,172,900
Debt:				
Debts due within one year	(8,395)	(2,100)	-	(10,495)
Debts falling due after more than one year	(37,900)	12,561	-	(25,339)
	1,319,990	(182,924)	-	1,137,066

22. CONVERSION TO AN ACADEMY TRUST

On 1 July 2014 Tollgate Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bury St Edmunds Academy Trust from Suffolk County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

22. CONVERSION TO AN ACADEMY TRUST (continued)

amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	5,736,000	5,736,000
- Other tangible fixed assets	-	-	7,236	7,236
Budget surplus/(deficit) on LA funds	33,721	-	-	33,721
Net assets/(liabilities)	<u>33,721</u>	<u>-</u>	<u>5,743,236</u>	<u>5,776,957</u>

The above net assets include £33,721 that were transferred as cash.

23. 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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £265,000, of which employer's contributions totalled £215,000 and employees' contributions totalled £50,000. The agreed contribution rates for future years are 16.8% for employers and 5.5%-12.5% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(3,199,000)	(2,240,000)
Fair value of scheme assets	1,989,000	1,438,000
	<hr/>	<hr/>
Net liability	(1,210,000)	(802,000)
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

23. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2014 £	2013 £
Current service cost	(208,000)	(167,000)
Interest on obligation	(109,000)	(82,000)
Expected return on scheme assets	93,000	53,000
	<u> </u>	<u> </u>
Total	(224,000)	(196,000)
	<u> </u>	<u> </u>
Actual return on scheme assets	184,000	154,000
	<u> </u>	<u> </u>

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

	2014 £	2013 £
Opening defined benefit obligation	2,240,000	1,827,000
Current service cost	208,000	167,000
Interest cost	109,000	82,000
Contributions by scheme participants	50,000	44,000
Actuarial Losses	604,000	120,000
Benefits paid	(12,000)	-
	<u> </u>	<u> </u>
Closing defined benefit obligation	3,199,000	2,240,000
	<u> </u>	<u> </u>

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

	2014 £	2013 £
Opening fair value of scheme assets	1,438,000	1,057,000
Expected return on assets	93,000	53,000
Actuarial gains and (losses)	205,000	101,000
Contributions by employer	215,000	183,000
Contributions by employees	50,000	44,000
Benefits paid	(12,000)	-
	<u> </u>	<u> </u>
	1,989,000	1,438,000
	<u> </u>	<u> </u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £574,000 loss (2013 - £175,000 loss).

The academy expects to contribute £289,000 to its Defined Benefit Pension Scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
European equities	68.00 %	69.00 %
Bonds	21.00 %	21.00 %
Property	10.00 %	9.00 %
Cash	1.00 %	1.00 %

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.50 %	5.90 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.4	21.4
Females	24.4	23.3
Retiring in 20 years		
Males	24.3	23.7
Females	26.9	25.7

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(3,199,000)	(2,240,000)	(1,827,000)
Scheme assets	1,989,000	1,438,000	1,057,000
Deficit	<u>(1,210,000)</u>	<u>(802,000)</u>	<u>(770,000)</u>
Experience adjustments on scheme assets	<u>205,000</u>	<u>101,000</u>	<u>(49,000)</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Within 1 year	1,329	-
Between 2 and 5 years	26,920	28,668
	<u>28,249</u>	<u>28,668</u>

25. RELATED PARTY TRANSACTIONS

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

No related party transactions took place during the year.

Value for Money Statement

Academy trust name: **BURY ST EDMUNDS ACADEMY TRUST**

Academy trust company number: **07697600**

Year ended **31 August 2014**

I accept that as accounting officer of **Bury St Edmunds Academy Trust** I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

- *All resources have been used to improve learning outcomes and educational experiences for pupils. These are tracked at every meeting of the Board.*
- *Spending is in line with the Trust's Improvement and Development Plan.*
- *Shared purchasing and resources are used across the academies where appropriate.*
- *An independent Responsible Officer in in post.*
- *All major items of expenditure are subject to a tendering process which involves at least three quotations and the approval of the Governing Body.*

Signed: *Vicky Neale*

Name: MRS VICKY NEALE

Academy Trust Accounting Officer

Date: 12/11/14