

Registered company number: 07849731 (England and Wales)

PLUME SCHOOL

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

PLUME SCHOOL

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

Contents	Pages
Reference and Administrative Details	2
Trustees' Report	3 - 10
Governance Statement	11 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditors' Report on Financial Statements	17 – 18
Independent Reporting Accountant's Report on Regularity	19 – 20
Consolidated Statement of Financial Activities incorporating Income & Expenditure Account	21
Consolidated Balance Sheet	22
Academy Balance Sheet	23
Consolidated Cash Flow Statement	24
Notes to the Financial Statements, incorporating: Statement of Accounting Policies Other notes to the Financial Statements	25-45

PLUME SCHOOL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

Reference and Administrative Details

Members

David Stephenson
Joan Binder
John Everard

Clive Purdy
Debra Thomas
Gillian McKinnell

Trustees (Governors)

John Almond*
Joan Binder* (Chairman)
Yvette Chick (appointed 1 October 2013)
John Everard*
Mark Howell***
Rachel Mahoney
Laura Marshall (appointed 3 March 2014)**
Gillian McKinnell(*) (***)
Paul Nagle (appointed 10 September 2013)
Christopher Pond (appointed 22 October 2013)***
Clive Purdy*

David Presswell* (resigned 30 September 2014)*
James Raymond (resigned 8 December 2013)**
Louise Sims
David Stephenson (*) (**) (Accounting officer)
Debra Thomas (*) (***)
Hayley Trowbridge (resigned 23 February 2014)*

*Members of the Finance and Estates Committee

** Members of Staff

***Members of the Audit Committee

Leadership team

Headteacher
Deputy Headteacher
Deputy Headteacher
Deputy Headteacher

David Stephenson
Ruth Crang
Nigel Brunt
Mark Bouckley

Principal and Registered Office

Fambridge Road
Maldon
Essex
CM9 6AB

Company Registration Number

07849731 (England and Wales)

Independent Auditors

UHY Hacker Young LLP
Quadrant House
4 Thomas Square
London
E1W 1YW

Bankers

Lloyds Bank Commercial
1 Legg Street
Chelmsford
CM1 1JS

Solicitors

Stone King Solicitors LLP
16 St Johns Lane
London
EC1M 4BS

PLUME SCHOOL

TRUSTEES' REPORT

The Trustees present their annual report together with the consolidated financial statements and auditors' report of the charitable company for the year ended 31 August 2014.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Academy was incorporated on 16 November 2011, in the name of Plume School, and commenced as an academy on 1 January 2012. The Academy has entered into a funding agreement with the Department for Education which provides the framework within which the Academy must operate.

The academy also has a wholly owned subsidiary, Plume Trading Limited, details of which can be found in note 15.

The Trustees of Plume School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Plume School.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 2.

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.

Principal Activities

The Academy's objects are specifically restricted to the following:

- a) 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 offering a broad and balanced curriculum ("the Academy");
- b) to promote for the benefit of the inhabitants of Maldon and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Method of Recruitment and Appointment or Election of Trustees

The initial Members of the Academy shall be the subscribers to the Memorandum of Association.

The subsequent Members of the Academy shall comprise:

- 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
- the chairman of the Trustees;
- the vice-chairman of Trustees;
- the Principal;
- the chair of finance and estates committee;
- the chair of student and curriculum committee;
- the chair of personnel committee; and
- any person appointed under Article 16.

When required, new trustees are recruited through localised internal and external advertising, and where previous assessments have raised a need for better understanding in specific areas, priority will be given to those members who can actively demonstrate the required skillset. A robust selection process is undertaken involving existing trustees and members before an appointment is made by the Academy Trust.

PLUME SCHOOL

TRUSTEES' REPORT

The Secretary of State for Education may appoint Trustees in certain circumstances; no such appointments were made in the year under review.

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to either the Principal or the staff trustee. Subject to remaining eligible to be a particular type of trustee, any Trustee may be re-appointed or re-elected.

A trustee shall cease to hold office if he resigns his office by notice to the Academy (but only if at least 3 Trustees will remain in office when the notice of resignation is to take effect).

A Trustee shall cease to hold office if he is removed by the person or persons who appointed him. The Article does not apply in respect of a Parent trustee.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are provided with copies of all essential documentation needed to undertake their role, including the memorandum and articles of association, Academies Financial Handbook and Plume School's Funding Agreement.

A Trustee Handbook with key information is available for all Trustees. This includes such aspects as:

- the structure of the academy and the relationship with the board of trustees
- a statement of values and expectations
- key elements of effective governance and the link to the Ofsted Handbook
- the committee structure of the board of trustees
- a brief description of the role of the chair and the role of the clerk/company secretary
- terms of reference for committees

The board of trustees subscribes to Essex Governor Services provision and in-house training is organised as and when required. Trustees are informed of external training opportunities.

New Trustees are mentored by existing Trustees.

Organisational Structure

The board of trustees of Plume School is constituted under the memorandum and articles of association. The board of trustees is responsible for ensuring high standards of corporate governance are maintained.

The Trustees are responsible for the strategic direction of the Academy, setting policy and agreeing the annual budget. Trustees are also responsible for monitoring the work of the Academy and ensuring the objectives of the academy are achieved.

In addition to the full board of trustees meetings, Plume School has a committee structure: the main committees are Finance and Estates, Personnel, Strategy Monitoring Group and Audit.

The Chair of the Board meets regularly with the Headteacher and all Trustees visit Plume School to make first hand observations of the work of the Academy. Reports of these visits are shared with all Trustees.

The Headteacher is required to provide strategic leadership and management of the Academy; he is assisted by the 3 Deputy Head teachers. In addition the Academy has 8 Assistant Head teachers, a School Business Manager and School Support Manager. These staff members comprise the Senior Leadership Team.

The Headteacher is the 'Accounting Officer' of Plume School.

PLUME SCHOOL

TRUSTEES' REPORT

Connected Organisations, including Related Party Relationships

Plume School works closely with all of its local primary schools, working hard to maintain relationships to smooth the transition from primary to secondary education, and ensure a consistent curriculum. An effective summer school for the prospective Year 7 student intake has been continued this year, following successful programs in previous years, to further this aim. The Academy is also following its ethos of community inclusion by developing links with the wider community and local businesses, whilst also engaging with community groups to utilise resources, knowledge and further the schools purpose. This is an area that the school will strive to continue to expand in forthcoming years. The Academy also maintains its joint use agreement with Maldon District Council in the promotion and shared risk of the 3G artificial sports pitch, trying to maximise community sports uptake.

As described in note 15 of the financial statements, the Academy has a wholly owned subsidiary, Plume Trading Limited.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Plume School to enhance the life chances of all Plume School students; aged between 11 and 18 years of age.

The main objectives of Plume School during the year ended 31st August 2014 are summarised below:

- to enable every student to fulfil their potential;
- to focus on raising standards and progression of all students;
- to improve effectiveness by regular review of all aspects of educational provision and the organisational structure of the Academy;
- to improve the quality of teaching and learning;
- to provide good value for money in the use of delegated funds; and
- to conduct all business of the Academy in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The main priorities of the Academy are to ensure high standards of teaching and learning, to recruit and retain high quality teaching and support staff and to establish an excellent pastoral and student support team so that all students will be encouraged to achieve their full potential.

Activities provided include:

- opportunities for all students to gain appropriate academic qualifications through consistently good teaching and on-going support;
- training and development opportunities for all staff;
- teaching staff professional development initiative to improve teaching & learning;
- a programme of enrichment activities for all students;
- careers advisory scheme to help students progress to further education, higher education, employment or training.

Public Benefit

The activities undertaken to further the academy trust's purposes for the public benefit are:

- Plume School has provided education to all registered students;
- Partnerships with local Primary schools have been established and maintained. Primary school students have attended educational activities at the Academy; including a 2 week summer school induction program for new intakes. Academy staff have also visited local Primary schools; and
- Leisure and sports facilities have been provided to the community through our continued partnership with Maldon District Council on the 3G artificial sports pitch and other school facilities.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

PLUME SCHOOL

TRUSTEES' REPORT

STRATEGIC REPORT

Achievements and Performance

Total student numbers in the year ended 31st August 2014 were 1,810 (2013: 1,829).

An Ofsted Inspection in January 2014 gave the school a 'Good' rating in all four judgement areas

A 'No Notice' inspection in July 2014 on Behaviour and Safety had a positive outcome.

A visit from the Regional Commissioner's Office in November 2014 also had a positive outcome

2014 GCSE, BTEC & Vocational Examination Results:

Plume School students achieved excellent top grade exam results, equalling last year's record, with:

- 20% of all results A* or A grades – ten students achieved 10 A*/A or better.
- 70% of all grades awarded were A*-C.
- Average points score per entry increased to 44 points, another record.
- Almost every student – 97% - gained at least one GCSE with A* to G grades.
- 51% of students gained five A* to C including English and Maths

These results are encouraging in the national context where the government is keen to ensure that GCSE examinations are harder and that it is more difficult to gain good grades. This year has seen significant changes in the examination requirements for key subjects, including English and Maths, and the national media is reporting 'volatility' in the results across the country.

The highest performing GCSE courses, achieving 100% A*-C included:

- Biology,
- Chemistry,
- Physics,
- Dance,
- Media Studies.
- Two students studying Polish both achieved A*.

Plume's BTEC courses achieved impressive results including:

- Health & Social Care (100% pass);
- Art & Design (100% pass);

Vocational students results:

The number of courses offered increased to 7 and virtually all students completed their level 1 courses successfully (97.6%). A number of students successfully completed additional level 2 qualifications. Popular courses included Hair & Beauty, Construction and Animal Care. It is very important that students' progress to Education, Employment or Training and, at the present time, all but one student has a clear progression route for the future.

Credit should go not only to the students but also to the staff who have worked so hard to give the students an excellent education.

PLUME SCHOOL

TRUSTEES' REPORT

2014 A-level Examination Results:

In 2014 Plume School in Maldon is celebrated its best ever Advanced Level exam results showing that the students' hard work and dedication had paid off. Advanced Level results released in August 2014, show an exceptional 27.5% of entries resulted in A* or A grades, a new school record, with 44.9% of our students achieving at least one A*/A. The schools' average points score per entry is the highest ever, from the previous record of 215.1 per entry to 218.5 this year and the average points score per student is a record 645.5, a significant 21.7 point increase from last year. 44.4% of entries resulted in A*, A or B grades, setting another record.

The pass rate for grades A* to E was 98.2%.

The school is particularly proud of how well Plume College students have performed in relation to nationally recognised Advanced level target grades. Many of the students have surpassed their target grades that are set in relation to their GCSE performance and they have achieved at a higher level than expected.

These results are outstanding, particularly when seen in the context of a very large (and growing) Sixth Form. Plume has one of the biggest Sixth Forms in Essex with an increasingly wide range of courses attracting students from other schools in the area. In addition to these impressive results, a large number of Plume students (95) have applied for a place at university. Almost all have already achieved the places they aimed for.

25 of Plume's Advanced level courses achieved a 100% pass rate.

Plume continues to be committed to providing a broad curriculum, including Applied A levels and a wide range of BTEC courses, and this has led to some outstanding results - a noteworthy 62% of all entries in BTEC achieved one or more distinction grades.

These results represent tremendous levels of achievement by the large numbers of students that choose to continue their education at Plume School. They will enable the students to succeed in spite of the challenging economic climate that still persists. Many of the students have achieved excellent results which can be attributed to their ability, their subject choices and their commitment over the duration of the courses.

Despite the costs involved in attending university, an increased number of Plume students are planning to study at degree level and the school is very pleased that most students who have applied to university have achieved or exceeded the required grades and that those who have chosen not to apply have carefully considered their career options.

Plume has maintained its funding of the Aim Higher scheme, which encourages students as young as Year 8 to consider higher education after school, and this continues to have a positive effect on the number of students wishing to take this route.

To ensure that raising standards continue to be a central focus, the Academy operates an extensive staff development programme including both teaching and support staff. Our progress is evaluated through an internal review process (Raising Achievement Plan). The Academy has continued its robust approach to discipline; the continuation of a 'shifted school' for short term exclusions, and other interventions have been seen to have a pronounced effect on the schools attendance figures.

The Academy will continue to work to improve the performance and achievement of its students in all aspects of Academy life. This will include continuing to make every effort to ensure all students enter higher education, further education, employment or training when they leave the Academy.

Financial Review

The majority of Plume School's income is derived from the Education Funding Agency (EFA), an agent of the Department for Education (DfE), in the form of recurrent grants, the use of which is limited to specific purposes. The grants received from the EFA during the year ended 31st August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

PLUME SCHOOL

TRUSTEES' REPORT

Key Financial Performance Indicators

The Trustees regularly review Plume School's actual income and expenditure against the authorised budget. Changes to the budget to reflect new information with regard to income or expenditure are approved in line with the authorisation limits established in the Plume School Financial Regulations.

Ratio analysis and benchmarking is performed annually to ensure that the Academy is applying its resources efficiently and effectively to achieve the best possible educational outcomes.

- a) Unrestricted income (excludes income from grants & delegated funding) as a percentage of total income: 8.5% (2013: 8.5%)
- b) Staff costs as a percentage of total costs: 75.1% (2013: 74.2%)
Investing in quality staff has been fundamental in recruiting and retaining the right staff to raise pupil performance and improve teaching & learning standards.
- c) Salary Expenditure 2013-14: £8,679,649 (2013: £8,315,828)
Total Income Grants: £10,255,196 (2013: £10,011,348)
Staff costs as a percentage of income: 84.6% (2013: 83.1 %)
- d) Net incoming/(outgoing) resources (before transfers and pension adjustments): £(115,150) (2013: 1,068,179)
- e) Current Ratio (current assets/current liabilities) 3.71:1 (2013: 3.43:1)
- f) Liquidity: £634,283 cash at bank and in hand (2013: £1,375,325)

Going Concern

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

Financial and Risk Management Objectives and Policies

The Academy has a formal risk management process in place to identify and assess all risks associated with the organisation; this enables the instigation of risk mitigation strategies. A Risk Register is in place which is subject to regular review and made available to all staff. Key members of staff and Trustees are involved in the preparation of the Risk Register, overseen by the Finance and Estates committee. All members of staff are aware of the risk management policy and the controls in place to limit exposure to risk. The Risk Register identifies the types of risk the Academy might encounter and rates the risks in terms of likelihood and impact. This ensures that the most significant risks are highlighted, appropriate strategies to be implemented and the allocation of resources.

As the majority of the Academy's funding is derived from the EFA, via the Department for Education, the Trustees consider this element of funding to be reasonably secure. The most significant risks relating to this income result from changing government policy on school funding (primarily around post 16 funding), the effect of increasing contribution rates for stakeholder pensions and NI rebate deletion, and the effect of changing pupil numbers. The Trustees have laid out their strategies for dealing with these risks within the Academy's risk register.

Principal Risks and Uncertainties

Plume School is currently a popular Academy; however the Trustees are aware of falling student numbers feeding through from local primary schools as a result of reduced birth rates within the local area. Available data indicates that this is a relatively short term issue, and in the current financial year the intake is oversubscribed, however the Academy is reviewing its policies on intake and school promotion accordingly. Longer term the school is reviewing how it may grow substantially to accommodate increased student numbers from proposed residential development within the locality.

The academy's risk register also considers the operational and reputational risks involved in the running of the school within the risk register. Whilst it has been identified that the likely occurrence of these risks is low, it is also accepted that the impact if they were to occur is potentially high, therefore the trustees seek professional advice whenever necessary to mitigate against these risks.

PLUME SCHOOL

TRUSTEES' REPORT

The Academy has carried forward a significant sum from the previous period; this has been essential to contend with the expected short term changes with pupil intake and reduced post 16 funding. Furthermore as a split site school, with an aging building stock, reserves are being retained to address known building condition issues especially surrounding disability access and under the grounds of health and safety.

Reserves Policy

The Trustees review the reserve levels of Plume School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The level of reserves will be kept under review and is necessary to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and planned changes such as managing the declining income from post 16 funding in a sustainable fashion. Reserves may be used to achieve the objectives of the Academy at any time at the discretion of the trustees.

As experienced nationally, the trustees are aware of a net deficit on both the teachers and local government pension funds. However this doesn't present an immediate liability and drain on reserves, as the deficit is being addressed by means of an actuarially calculated long term increase in the employer's contribution towards the fund. This increase will have an effect on the cash flow of the school annually, but will not result in a direct impact on the free reserves.

Investment Policy

Within the Plume School investment policy, the Trustees agree all investments made by Plume School are in line with the Charity Commission guidance. Investments are currently restricted to deposit accounts held with UK banks.

Equal Opportunities and Disabled persons policies (Equalities Policy)

The schools policy on equal opportunities outlines the commitment of the staff and Governors of Plume School to ensure that equality of opportunity is available to all members of the School community. For our School this means, not simply treating everybody the same but, understanding and tackling the different barriers which could lead to unequal outcomes for different groups of students in the School. It also means celebrating and valuing the equal opportunity achievements and strengths of all members of the School community. These include: -

- Students
- Teaching staff
- Support staff
- Parents/carers
- Community governors
- Multi-agency staff linked to the School
- Visitors to the School
- Students on placement

The trustees believe that equality at the School should permeate all aspects of School life and is the responsibility of every member of the School and wider community. Every member of the School community should feel safe, secure, valued and of equal worth.

At Plume School, equality is a key principle for treating all people the same irrespective of their gender, ethnicity, disability, religious beliefs, sexual orientations, age or any other recognised area of discrimination.

Plans for Future Periods

In setting our objectives and planning activities the Trustees have given careful consideration to the Charity Commissions general guidance on public benefit. The Academy will continue to work to raise both the aspirations and outcomes of all its students at whatever age, closing gaps between the performances of different groups, where this is needed, and ensuring they are able to proceed successfully to the next stage of their education.

The Academy has plans to continue the premises improvements to the school buildings, including the restoration of deteriorating Victorian building elements, making improvements to the sporting facilities and recladding existing buildings to make both environmental and energy efficiency improvements.

PLUME SCHOOL

TRUSTEES' REPORT

Funds held as Custodian Trustee on behalf of others

Neither Plume School nor any of its Trustees act as a custodian trustee.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the governing body on 12 December 2014 and signed on its behalf by:

Joan Binder
Chair of Trustees

PLUME SCHOOL

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Plume School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a possible
Almond, Mr John	2	3
Binder, Mrs Joan	3	3
Chick, Mrs Yvette	2	3
Everard, Mr John	1	3
Howell, Mr Mark	2	3
Mahoney, Mrs Rachael	0	3
Marshall, Mrs Laura	2	2
McKinnell, Mrs Gillian	2	3
Nagle, Mr Paul	3	3
Pond, Mr Chris	3	3
Presswell, Mr David	2	3
Purdy, Mr Clive	3	3
Raymond, Mr James	3	3
Sims, Mrs Louise	2	3
Stephenson, Mr David	3	3
Thomas, Mrs Debra	3	3
Trowbridge, Mrs Hayley	0	0

Changes to the Board in the financial year include the resignations from H Trowbridge and J Raymond. There were 4 new appointments made during the financial year, and P Nagle, Y Chick, C Pond and L Marshall were appointed to the Board.

The Finance and Estates Committee is a sub-committee of the main governing body. The purpose of the Finance and Estates Committee is to share the workload of the Accounting Officer in managing and monitoring the organisation's finances and premises matters. The Finance and Estates Committee has formally met 4 times during the year; 3 times for monitoring meetings and 1 extraordinary meeting to approve the annual accounts. An Audit Committee exists to oversee the year end audit process.

PLUME SCHOOL

GOVERNANCE STATEMENT

This Finance and Estates Committee provides an opportunity for detailed discussion and consideration of financial and property matters, with regular reporting to the full board of trustees. It is given delegated authority for most financial decision-making, but the full board of trustees as a whole remains accountable and must still remain actively engaged in financial and premises matters.

Benefits of the finance and estates committee include:

- Helping to prevent fraud by ensuring that all tasks associated with the finance function are not performed by one person without supervision from others (segregation of duties).
- Allowing the Full Governing Body meetings to focus on a wider range of issues, as detailed financial and property discussions can take place within the sub-committee.
- Enabling more democratic control of the organisation's finances and estate.
- Spreading the burden of financial and premises management, thereby also potentially improving its quality.
- Helping train new committee members in financial and premises related matters.

Matters discussed during the year to 31 August 2014 include:

- Full review of finance and estates policies
- Agreement of financial regulations and scheme of delegation
- Regular review of the current financial position
- Review of long term (3-5 years) financial position
- Assurance work on health and safety matters relating to the estate
- Investigations into furthering the trusts charitable aim through community involvement
- Continuation of the audit committee to meet statutory needs
- Review of capital grants received in year for the improvement of the estate
- Consideration of the schools assets and fulfilment of the Trusts charitable obligations to maximise the benefit of those assets with regard to asset disposal and reinvestment
- Monitoring of a Trading Subsidiary of the school to monitor income generated from activities that are outside of the normal scope of the charitable purpose of the trust.

Attendance at Finance and Estates Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Almond, Mr John	1	4
Binder, Mrs Joan	3	4
Everard, Mr John	1	4
McKinnell, Mrs Gillian	2	4
Nagle, Mr Paul	4	4
Presswell, Mr David	3	4
Purdy, Mr Clive	4	4
Stephenson, Mr David	4	4
Thomas, Mrs Debra	3	4

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to:

- Recommend the appointment of the auditors
- Remove the burden of audit matters from the Finance & Estates Committee
- Act as the investigating body in the event of any accusation of fraud
- Oversee the year end process
- Receive the response from the appointed Auditors
- Recommend adjustments to the practice of the finance function based on the auditors findings
- Receive and recommend the adoption or rejection of the Annual Accounts to the Board of Trustees

PLUME SCHOOL

GOVERNANCE STATEMENT

Attendance at Audit Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mark Howell	1	1
Gillian McKinnell	1	1
Debbie Thomas	1	1
Chris Pond	1	1

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Plume School for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that have been in place for the year ended 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 trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and estates 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 not to appoint an internal auditor. However, the Trustees have appointed Mr A Gothard, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The RO has visited the school to perform assessments during the autumn of 2013, spring and summer terms of 2014, with a final roundup visit at the end of September 2014. The reports produced follow the requirements as laid down by the DfE, and to date have not raised any significant material defects. Minor concerns that have been highlighted have been discussed by the finance and estates committee and an action plan for remedial action has been drawn up by the Business Manager for integration into the academies practices with immediate effect.

PLUME SCHOOL

GOVERNANCE STATEMENT

Review of Effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Estates 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 12 December 2014 and signed on its behalf by:

Joan Binder
Chair of Trustees

David Stephenson
Accounting Officer

PLUME SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Plume School I have considered my responsibility to notify the academy trust 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 trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

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

Approved on 12 December 2014 and signed by:

David Stephenson
Accounting Officer

PLUME SCHOOL

PLUME SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction 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 year. In preparing these financial statements, the Trustees are required to:

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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 12 December 2014 and signed on its behalf by:

Joan Binder
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLUME SCHOOL

We have audited the financial statements of Plume School for the year ended 31 August 2014 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 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 the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and the academy's affairs as at 31 August 2014 and of the group's and the academy's 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the 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' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PLUME SCHOOL (continued)**

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.

**Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP, Statutory Auditor**

Quadrant House
4 Thomas More Square
London
E1W 1YW

12 December 2014

UHY Hacker Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BOARD OF TRUSTEES OF PLUME SCHOOL AND THE EDUCATING FUNDING AGENCY

In accordance with the terms of our engagement letter dated 30 April 2012 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 Plume School during the year 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 Plume School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Plume School and the EFA those matters we are required to state to it 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 Plume School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Plume School's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Plume School's funding agreement with the Secretary of State for Education dated 18 October 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 to 31 August 2014 have not been applied to purposes intended by Parliament or that financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BOARD OF TRUSTEES OF PLUME SCHOOL AND THE EDUCATING FUNDING AGENCY (continued)

The work undertaken to draw our conclusion includes:

- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representations have obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety

Conclusion

In the course of our work, nothing has come to our attention which suggests that, in all material respect, the expenditure disbursed and income received during the year to 31 August 2014, has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Colin Wright
Senior Statutory Auditor
For and on behalf of UHY Hacker Young LLP, Statutory Auditor

Quadrant House
4 Thomas More Square
London
E1W 1YW

12 December 2014

PLUME SCHOOL

**STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2014
(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL
RECOGNISED GAINS & LOSSES)**

	Notes	Restricted funds			2014 Total £	2013 Total £
		Unrestricted fund £	General funds £	Fixed asset fund £		
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	44,670	-	-	44,670	149,640
Activities for generating funds	3	911,759	-	-	911,759	875,057
Investment income	4	420	-	-	420	2,130
<i>Incoming resources from charitable activities</i>						
Funding for the academy's educational operations	5	-	10,040,676	214,520	10,255,196	11,090,026
Total incoming resources		956,849	10,040,676	214,520	11,212,045	12,116,853
Resources expended						
<i>Cost of generating funds:</i>						
Costs of activities for generating funds	6 & 7	715,447	-	-	715,447	648,930
<i>Charitable activities:</i>						
Academy's educational operations	6 & 8	-	10,283,880	534,887	10,818,767	10,527,192
Governance costs	6 & 9	-	25,981	-	25,981	34,552
Total resources expended	6	715,447	10,309,861	534,887	11,560,195	11,210,674
Net incoming/(outgoing) resources before transfers		241,402	(269,185)	(320,367)	(348,150)	906,179
Gross transfers between funds	19	-	(264,851)	264,851	-	-
Net income/(expenditure) for the year		241,402	(534,036)	(55,516)	(348,150)	906,179
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	31	-	314,000	-	314,000	(163,000)
Net movement in funds		241,402	(220,036)	(55,516)	(34,150)	743,179
Total funds brought forward at 31 August 2013		952,253	(2,622,390)	26,420,849	24,750,712	24,007,533
Total funds carried forward at 31 August 2014	19	1,193,655	(2,842,426)	26,365,333	24,716,562	24,750,712

All of the academy's activities derive from continuing operations during the financial period. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

PLUME SCHOOL

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2014**

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	13	26,365,333	26,266,662
		<u>26,365,333</u>	<u>26,266,662</u>
Current assets			
Stock	16	36,697	38,876
Debtors	17	1,011,247	622,014
Cash in hand and at bank		634,283	1,375,325
		<u>1,682,227</u>	<u>2,036,215</u>
Liabilities			
Creditors: amounts falling due within one year	18	(452,998)	(593,165)
Net current assets		<u>1,229,229</u>	<u>1,443,049</u>
Net assets excluding pension liability		<u>27,594,562</u>	<u>27,709,712</u>
Pension scheme liability	31	(2,878,000)	(2,959,000)
Net assets including pension liability		<u>24,716,562</u>	<u>24,750,712</u>
The funds of the academy:			
Restricted income funds			
Fixed asset funds	19	26,365,333	26,420,849
General funds	19	35,574	336,610
Pension reserve	19	(2,878,000)	(2,959,000)
Total restricted funds		<u>23,522,907</u>	<u>23,798,459</u>
Unrestricted income fund			
General fund	19	1,193,655	952,253
Total funds		<u>24,716,562</u>	<u>24,750,712</u>

The financial statements on pages 21 to 45 were approved by the Board of Trustees, and authorised for issue on 12 December 2014 and are signed on their behalf by:

David Stephenson
Accounting Officer
Company registration no: 07849731

PLUME SCHOOL

ACADEMY BALANCE SHEET AS AT 31 AUGUST 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	14	26,365,333	26,266,662
Investments	15	1	1
		<u>26,365,334</u>	<u>26,266,663</u>
Current assets			
Stock	16	16,995	38,876
Debtors	17	1,052,414	622,014
Cash in hand and at bank		582,282	1,375,325
		<u>1,651,691</u>	<u>2,036,215</u>
Liabilities			
Creditors: amounts falling due within one year	18	(422,465)	(593,166)
		<u>1,229,226</u>	<u>1,443,049</u>
Net current assets			
		<u>27,594,560</u>	<u>27,709,712</u>
Net assets excluding pension liability			
Pension scheme liability	31	(2,878,000)	(2,959,000)
		<u>24,716,560</u>	<u>24,750,712</u>
Net assets including pension liability		<u>24,716,560</u>	<u>24,750,712</u>
The funds of the academy:			
Restricted income funds			
Fixed asset funds	20	26,365,333	26,420,849
General funds	20	35,574	336,610
Pension reserve	20	(2,878,000)	(2,959,000)
		<u>23,522,907</u>	<u>23,798,459</u>
Total restricted funds			
Unrestricted income fund			
General fund	20	1,193,653	952,253
		<u>24,716,560</u>	<u>24,750,712</u>
Total funds		<u>24,716,560</u>	<u>24,750,712</u>

The financial statements on pages 21 to 45 were approved by the Board of Trustees, and authorised for issue on 12 December 2014 and are signed on their behalf by:

David Stephenson
Accounting Officer
Company registration no: 07849731

PLUME SCHOOL

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash (outflow)/inflow from operating activities	25	(107,904)	963,868
Returns on investments and servicing of finance	26	420	2,130
Capital expenditure	27	(633,558)	(1,007,307)
Acquisitions and disposals			
Set up of trading subsidiary	15	-	(1)
		-----	-----
Increase/(decrease) in cash in the year		741,042	(41,310)
		=====	=====
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		1,375,325	1,416,635
		-----	-----
Net funds at 31 August 2014 – Cash in hand and at bank	28	634,283	1,375,325
		=====	=====

PLUME SCHOOL

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

1 Statement of accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Basis of consolidation

These financial statements consolidate on a line-by-line basis the results of the Academy Trust and its wholly owned subsidiary, Plume Trading Limited. A separate statement of financial activities (incorporating an income and expenditure account) for the Company itself is not presented because the Company has taken advantage of the exemptions afforded by section 230 of the Companies Act 2006 and paragraph 397 of SORP 2005. The Academy Trust's net expenditure for the year was £34,152.

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.

Incoming resources

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

Grants receivable

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

Donations

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

Other income

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

Donated services and gifts in kind

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

On becoming an academy, the land and property of the predecessor school was transferred to the academy for nil consideration. The valuation of the land and buildings as at the date of conversion was prepared by Lambert, Smith Hampton on a depreciated replacement cost basis.

PLUME SCHOOL

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

1 Statement of accounting policies (continued)

Resources expended

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

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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 or donated market value and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Fixed assets below £2,000 are not capitalised.

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

Freehold buildings	2%
Freehold building improvements	5-10%
Artificial pitch	10%
Fixtures, fittings and equipment	20%
Motor vehicles	20%

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.

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

1 Statement of accounting policies (continued)

Leased assets

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

Stock

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

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.

Pensions benefits

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 trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 28, 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 as allowed by the relevant accounting standard FRS 17 'Retirement Benefits'.

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 year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

Unrestricted 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 the Education Funding Agency, the Department for Education or other 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 Education Funding Agency.

PLUME SCHOOL

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

2 Voluntary income	Unrestricted fund £	Restricted funds £	Total 2014 £	Total 2013 £
Funds inherited on conversion	-	-	-	140,881
Other donations	44,670	-	44,670	8,759
	<hr/>	<hr/>	<hr/>	<hr/>
	44,670	-	44,670	149,640
	=====	=====	=====	=====
 3 Activities for generating funds				
	Unrestricted fund £	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	86,415	-	86,415	52,678
Catering income	326,922	-	326,922	389,514
Fees charged for music tuition	32,262	-	32,262	40,332
Trip income	182,735	-	182,735	130,103
Sale of school uniform	73,647	-	73,647	67,240
Consultancy	200	-	200	12,048
Other income	209,578	-	209,578	183,142
	<hr/>	<hr/>	<hr/>	<hr/>
	911,759	-	911,759	875,057
	=====	=====	=====	=====
 4. Investment income				
	Unrestricted fund £	Restricted funds £	Total 2014 £	Total 2013 £
Bank interest receivable	420	-	420	2,130
	<hr/>	<hr/>	<hr/>	<hr/>
	420	-	420	2,130
	=====	=====	=====	=====

PLUME SCHOOL

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

5 Funding for academy's educational operations

	Unrestricted fund £	Restricted funds £	Total 2014 £	Total 2013 £
Restricted general funds				
DfE / EFA revenue grants				
- General Annual Grant (GAG)	-	9,886,217	9,886,217	9,471,797
- Other DfE / EFA grants	-	45,188	45,188	21,780
	-	9,931,405	9,931,405	9,493,577
Other Government grants				
- Local authority grants	-	109,271	109,271	517,771
	-	10,040,676	10,040,676	10,011,348
Restricted fixed asset funds				
- DfE/EFA capital grant	-	214,520	214,520	1,078,678
	-	10,255,196	10,255,196	11,090,026
	=====	=====	=====	=====

6 Resources expended

	Staff costs £ (note 10)	Non pay expenditure		Total 2014 £	Total 2013 £
		Premises £	Other costs £		
Costs of activities for generating funds (note 7)	213,698	2,862	498,887	715,447	648,930
Academy's educational operations (note 8)					
- direct costs	7,526,910	-	618,067	8,144,977	7,945,188
- allocated support costs	939,041	903,831	830,918	2,673,790	2,582,004
	8,465,951	903,831	1,448,985	10,818,767	10,527,192
Governance costs including allocated support costs	-	-	25,981	25,981	34,552
	8,679,649	906,693	1,973,853	11,560,195	11,210,674
	=====	=====	=====	=====	=====

PLUME SCHOOL

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

7 Costs of activities for generating funds

	Unrestricted fund £	Restricted funds £	Total 2014 £	Total 2013 £
Catering expenses	326,922	-	326,922	389,514
Music services expenses	24,242	-	24,242	33,058
Uniform expenses	84,578	-	84,578	67,240
Costs of school trips	150,852	-	150,852	130,103
Course fees	89,989	-	89,989	29,015
Grounds maintenance	2,862	-	2,862	-
Other expenditure	36,002	-	36,002	-
	<u>715,447</u>	<u>-</u>	<u>715,447</u>	<u>648,930</u>
	=====	=====	=====	=====

8 Charitable activities – Academy’s educational operations

	Unrestricted fund £	Restricted funds £	Total 2014 £	Total 2013 £
<i>Direct costs</i>				
Teaching and educational support staff costs	-	7,526,910	7,526,910	7,250,156
Educational supplies	-	231,685	231,685	329,440
Examination fees	-	163,564	163,564	173,383
Other direct costs	-	222,818	222,818	192,209
	<u>-</u>	<u>8,144,977</u>	<u>8,144,977</u>	<u>7,945,188</u>
<i>Allocated support costs</i>				
Support staff costs	-	939,041	939,041	880,091
Depreciation (fixed asset restricted fund)	-	534,887	534,887	451,734
Recruitment and support	-	12,556	12,556	6,620
Maintenance of premises and equipment	-	133,236	133,236	215,683
Rent & rates	-	184,180	184,180	171,048
Insurance	-	51,527	51,527	66,306
Security and transport	-	14,084	14,084	13,528
IT support costs	-	100,031	100,031	86,281
Legal and professional fees	-	32,565	32,565	187,007
Travel and trip expenses	-	92,849	92,849	108,051
Catering	-	170,759	170,759	92,103
Other student support costs	-	29,772	29,772	42,570
Office expenses	-	245,303	245,303	161,982
LGPS finance charge	-	133,000	133,000	99,000
	<u>-</u>	<u>2,673,790</u>	<u>2,673,790</u>	<u>2,582,004</u>
	<u>-</u>	<u>10,818,767</u>	<u>10,818,767</u>	<u>10,527,192</u>
	=====	=====	=====	=====

PLUME SCHOOL

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

9 Governance costs	Unrestricted fund £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	11,431	11,431	18,921
Auditors' remuneration	-	12,000	12,000	10,500
- audit of financial statements	-	2,550	2,550	5,131
- other fees	-	-	-	-
	-----	-----	-----	-----
	-	25,981	25,981	34,552
	=====	=====	=====	=====

10 Staff costs

Staff costs during the year were:

	2014 Total £	2013 Total £
Wages and salaries	6,991,710	6,867,512
Social security costs	501,708	469,606
Pension costs	982,693	927,385
	-----	-----
	8,476,111	8,264,503
Supply teacher costs	203,538	51,325
	-----	-----
	8,679,649	8,315,828
	=====	=====

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

	2014 Number	2013 Number
<i>Charitable Activities</i>		
Teachers	122	138
Administration and support	123	110
Management	14	14
	-----	-----
	259	262
	=====	=====

PLUME SCHOOL

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

10 Staff costs (continued)

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

	2014	2013
	Number	Number
£60,001 - £70,000	3	0
£70,001 - £80,000	0	1
£80,001 - £90,000	0	1
£90,001 - £100,000	1	1
	=====	=====

Four of the above employees participated in the Teachers' Pension Scheme (2013: Three). During the year ended 31 August 2014, pension contributions for these staff amounted to £42,944 (2013: £32,845).

11 Trustees' remuneration and expenses

The Headteacher and Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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 was as follows:

David Stephenson (Headteacher and trustee)	£105,000-£110,000
Laura Marshall (Staff trustee)	£20,000-£25,000
James Raymond (Staff trustee)	£15,000-£20,000

During the year ended 31 August 2014, travel and subsistence expenses totalling £777 were reimbursed to trustees (2013: £Nil).

12 Trustees' and Officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 (2013: £5,000,000) on any one claim and the cost for the year ended 31 August 2014 was £1,195 (2013: £1,195).

The cost of this insurance is included in the total insurance cost.

PLUME SCHOOL

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

13 Tangible fixed assets - Group

	Freehold Land and Buildings £	Building Improvements £	Artificial Pitch £	Furniture & Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2013	25,658,370	1,090,501	487,455	61,455	8,000	27,305,781
Additions	-	510,689	-	122,869	-	633,558
At 31 August 2014	25,658,370	1,601,190	487,455	184,324	8,000	27,939,339
Depreciation						
At 1 September 2013	904,294	36,747	89,311	5,835	2,932	1,039,119
Charge in year	359,494	91,123	48,745	33,925	1,600	534,887
At 31 August 2014	1,263,788	127,870	138,056	39,760	4,532	1,574,006
Net book values						
At 31 August 2014	24,394,582	1,473,320	349,399	144,564	3,468	26,365,333
At 31 August 2013	24,754,076	1,053,754	398,144	55,620	5,068	26,266,662

14 Tangible fixed assets - Academy

	Freehold Land and Buildings £	Building Improvements £	Artificial Pitch £	Furniture & Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2013	25,658,370	1,090,501	487,455	61,455	8,000	27,305,781
Additions	-	510,689	-	122,869	-	633,558
At 31 August 2014	25,658,370	1,601,190	487,455	184,324	8,000	27,939,339
Depreciation						
At 1 September 2013	904,294	36,747	89,311	5,835	2,932	1,039,119
Charge in year	359,494	91,123	48,745	33,925	1,600	534,887
At 31 August 2014	1,263,788	127,870	138,056	39,760	4,532	1,574,006
Net book values						
At 31 August 2014	24,394,582	1,473,320	349,399	144,564	3,468	26,365,333
At 31 August 2013	24,754,076	1,053,754	398,144	55,620	5,068	26,266,662

PLUME SCHOOL

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

15 Investments - Academy

	Total 2014 £	Total 2013 £
Shares in subsidiary undertaking	1	1
	-----	-----
	1	1
	=====	=====

Holdings of more than 20%

The company holds more than 20% of the share capital of the following company:

Company	Country of registration or incorporation	Class	Shares held %
Plume Trading Limited	England and Wales	Ordinary	100.00

Plume Trading Limited carries out the trading activities of the school such as lettings and uniform sales.

The results of the subsidiary for the year ended 31 August 2014 were as follows:

Turnover	£ 138,027
Operating expenses	(123,362)
Gift aid payment made to the Academy	(14,665)

Net profit before taxation	-
Taxation charge	-

Retained profit for the year	- =====

At 31 August 2014 the aggregate amount of net assets and reserves was as follows:

Current assets	£ 73,779
Current liabilities	(73,778)

	1
	=====
Represented by:	
Share capital	1
Reserves	-

	- =====

PLUME SCHOOL

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

16 Stock	Group 2014 £	Group 2013 £	Academy 2014 £	Academy 2013 £
Clothing	19,702	28,874	-	28,874
Catering	16,995	10,002	16,995	10,002
	<u>36,697</u>	<u>38,876</u>	<u>16,995</u>	<u>38,876</u>
	=====	=====	=====	=====
17 Debtors	Group 2014 £	Group 2013 £	Academy 2014 £	Academy 2013 £
Trade debtors	20,202	14,283	20,202	14,283
Amounts due for subsidiary	-	2,616	43,245	2,616
Other debtors	905,456	582,290	903,378	582,290
Prepayments	85,589	22,825	85,589	22,825
	<u>1,011,247</u>	<u>622,014</u>	<u>1,052,414</u>	<u>622,014</u>
	=====	=====	=====	=====
18 Creditors: amounts falling due within one year	Group 2014 £	Group 2013 £	Academy 2014 £	Academy 2013 £
Trade creditors	33,719	528	3,186	528
PAYE & NIC creditor	254,519	262,524	254,519	262,524
Accruals and deferred income (see below)	164,760	330,113	164,760	330,114
	<u>452,998</u>	<u>593,165</u>	<u>422,465</u>	<u>593,166</u>
	=====	=====	=====	=====
Deferred income	Group 2014 £	Group 2013 £	Academy 2014 £	Academy 2013 £
Deferred income at 1 September	48,174	24,373	48,174	24,373
Income deferred in the year	64,639	48,174	64,639	48,174
Amounts released from previous years	(48,174)	(24,373)	(48,174)	(24,373)
Deferred income at 31 August 2014 included in accruals and deferred income above	<u>64,639</u>	<u>48,174</u>	<u>64,639</u>	<u>48,174</u>
	=====	=====	=====	=====

At the balance sheet date the academy was holding funds of £64,639 received in advance for school trips and catering.

PLUME SCHOOL

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

19 Funds – Group

	Balance at 31 August 2013 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	336,610	9,886,217	(9,922,402)	(264,851)	35,574
Other DfE/EFA grants	-	45,188	(45,188)	-	-
Other government grants	-	109,271	(109,271)	-	-
Pension reserve (note 31)	(2,959,000)	-	(233,000)	314,000	(2,878,000)
	-----	-----	-----	-----	-----
Total restricted general funds	(2,622,390)	10,040,676	(10,309,861)	49,149	(2,842,426)
	=====	=====	=====	=====	=====
Restricted fixed asset funds					
Acquired on conversion	25,157,289	-	(359,494)	-	24,797,795
DfE/EFA capital grants	1,263,560	214,520	(175,393)	264,851	1,567,538
	-----	-----	-----	-----	-----
Total restricted fixed asset funds	26,420,849	214,520	(534,887)	264,851	26,365,333
	=====	=====	=====	=====	=====
Total restricted funds	23,798,459	10,255,196	(10,844,748)	314,000	23,522,907
	=====	=====	=====	=====	=====
Unrestricted fund					
Unrestricted fund	952,253	956,849	(715,447)	-	1,193,655
	=====	=====	=====	=====	=====
Total funds	24,750,712	11,212,045	(11,560,195)	314,000	24,716,562
	=====	=====	=====	=====	=====

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

General Annual Grant

The General Annual Grant must be used for the normal running costs of the Academy including salary costs, overheads, premises costs and curriculum costs. 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.

Other DfE/EFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

Pension reserve

The pension reserve is the element of the local government pension fund liability attributable to the Academy (see note 31).

Transfer between funds

A transfer from unrestricted funds to the restricted fixed asset fund was necessary to fund capital expenditure carried out during the year.

PLUME SCHOOL

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

20 Funds – Academy	Balance at 31 August 2013 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	336,610	9,886,217	(9,922,402)	(264,851)	35,574
Other DfE/EFA grants	-	45,188	(45,188)	-	-
Other government grants	-	109,271	(109,271)	-	-
Pension reserve (note 31)	(2,959,000)	-	(233,000)	314,000	(2,878,000)
	-----	-----	-----	-----	-----
Total restricted general funds	(2,622,390)	10,040,676	(10,309,861)	49,149	(2,842,426)
	=====	=====	=====	=====	=====
Restricted fixed asset funds					
Acquired on conversion	25,157,289	-	(359,494)	-	24,797,795
DfE/EFA capital grants	1,263,560	214,520	(175,393)	264,851	1,567,537
	-----	-----	-----	-----	-----
Total restricted fixed asset funds	26,420,849	214,520	(534,887)	264,851	26,365,333
	=====	=====	=====	=====	=====
Total restricted funds	23,798,459	10,255,196	(10,844,748)	314,000	23,522,907
	=====	=====	=====	=====	=====
Unrestricted funds					
Unrestricted fund and subsidiary retained earnings	952,253	833,486	(592,086)	-	1,193,653
	=====	=====	=====	=====	=====
Total funds	24,750,712	11,088,682	(11,436,834)	314,000	24,716,560
	=====	=====	=====	=====	=====

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

General Annual Grant

The General Annual Grant must be used for the normal running costs of the Academy including salary costs, overheads, premises costs and curriculum costs. 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.

Other DfE/EFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

Pension reserve

The pension reserve is the element of the local government pension fund liability attributable to the Academy (see note 31).

Transfer between funds

A transfer from unrestricted funds to the restricted fixed asset fund was necessary to fund capital expenditure carried out during the year.

PLUME SCHOOL

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

21 Analysis of net assets between funds – Group

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2014 £	Total funds 2013
Tangible fixed assets	-	-	26,365,333	26,365,333	26,266,662
Current assets	1,274,954	407,273	-	1,682,227	2,036,215
Current liabilities	(81,299)	(371,699)	-	(452,998)	(593,165)
Pension scheme liability	-	(2,878,000)	-	(2,878,000)	(2,959,000)
	-----	-----	-----	-----	-----
Total net assets	1,193,655	(2,842,426)	26,365,333	24,716,562	24,750,712
	=====	=====	=====	=====	=====

22 Analysis of net assets between funds - Academy

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2014 £	Total funds 2013
Tangible fixed assets	-	-	26,365,333	26,365,333	26,266,662
Investment in subsidiary	1	-	-	1	1
Current assets	1,244,418	407,273	-	1,651,691	2,036,215
Current liabilities	(50,766)	(371,699)	-	(422,465)	(593,166)
Pension scheme liability	-	(2,878,000)	-	(2,878,000)	(2,959,000)
	-----	-----	-----	-----	-----
Total net assets	1,193,653	(2,842,426)	26,365,333	24,716,560	24,750,712
	=====	=====	=====	=====	=====

23 Capital commitments

	Freehold land & buildings 2014 £	Freehold land & buildings 2013 £
Contracted for, but not provided in the financial statements	-	154,187
	=====	=====

24 Financial commitments

The school has no annual commitments under non-cancellable operating leases at the year end (2013: £Nil).

PLUME SCHOOL

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

25 Reconciliation of net income to net cash (outflow)/ inflow from operating activities	2014	2013
	£	£
Net income for the year	(348,150)	906,179
Depreciation (note 13)	534,887	451,734
Interest receivable (note 4)	(420)	(2,130)
FRS 17 pension cost less contributions payable (note 31)	100,000	63,000
FRS 17 pension finance income (note 31)	133,000	99,000
Decrease/ (increase) in stocks	2,179	(30,221)
(Increase) in debtors	(389,232)	(416,551)
(Decrease) in creditors	(140,168)	(107,143)
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(107,904)	963,868
	=====	=====

26 Returns on investments and servicing of finance	2014	2013
	£	£
Interest received	420	2,130
	<hr/>	<hr/>
Net cash inflow from returns on investment and servicing of finance	420	2,130
	=====	=====

27 Capital expenditure and financial investment	2014	2013
	£	£
Purchases of tangible fixed assets (note 13)	633,558	1,007,307
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	633,558	1,007,307
	=====	=====

28 Analysis of changes in net funds	At 31 August		At 31 August
	2013	Cash flows	2014
	£	£000	£000
Cash in hand and at bank	1,375,325	(741,042)	634,283
	<hr/>	<hr/>	<hr/>
	=====	=====	=====

29 Contingent liabilities

There are no contingent liabilities at 31 August 2014 (2013: £Nil).

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

30 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the academy 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 (2013: £10) for the debts and liabilities contracted before he/she ceases to be a member.

31 Pension and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex 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 was 31 March 2004 and of the LGPS was 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year (2013: £Nil).

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.

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

31 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

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

Teachers' Pension Scheme Changes

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

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

31 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £367,000 (2013: £325,000), of which employer's contributions totalled £278,000 (2013: £249,000) and employees' contributions totalled £89,000 (2013: £76,000). The agreed contribution rates for future years are 12.3% (2013: 12.13%) for employers and between 5.5% and 8.5% (2013: 5.5% and 7.5%) for employees.

Principal Actuarial Assumptions:	At 31 August 2014 £	At 31 August 2013 £
Rate of increase in salaries	4.5%	4.7%
Rate of increase for pensions	2.7%	2.9%
Discount rate for scheme liabilities	3.9%	4.7%
Inflation assumption (CPI)	2.7%	2.9%
Retail price index assumption (RPI)	3.5%	3.7%

The below table, as produced by Barnett Waddingham (actuary) sets out the impact of a small change in the discount rates on the defined benefit obligations and projected service cost along with a plus/minus 1 year age rating adjustment to the mortality assumption.

	£'000 + 0.1%	£'000 0.00%	£'000 - 0.1%
Adjustment to discount rate			
Present Value of Total Obligation	3,861	3,948	4,037
Projected Service Cost	324	372	380
Adjustment to mortality age rating assumption	+ 1 Year	None	- 1 Year
Present Value of Total Obligation	3,813	3,948	4,084
Projected Service Cost	359	372	385

PLUME SCHOOL

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

31 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2014 (years)	At 31 August 2013 (years)
Retiring today		
Males	22.7	22.7
Females	25.1	25.3
Retiring in 20 years		
Males	24.9	24.2
Females	27.4	26.9

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

	Expected Return at 31 Aug 2014	Fair value at 31 August 2014	Expected return at 31 August 2013	Fair value at 31 August 2013
Equities	6.1%	687,000	6.6%	399,000
Bonds	3.6%	118,000	4.4%	55,000
Property	5.1%	124,000	5.6%	68,000
Gilts	3.0%	69,000	3.5%	49,000
Cash	2.9%	30,000	0.5%	18,000
Alternative assets	3.6%	42,000	4.4%	25,000
	-----	-----	-----	-----
Total market value of assets	5.3%	1,070,000	5.8%	614,000
	=====	=====	=====	=====
Present value of scheme liabilities				
- Funded		(3,948,000)		(3,573,000)
		-----		-----
Deficit in the scheme – recognised on balance sheet at 31 August 2014		(2,878,000)		(2,959,000)
		=====		=====

The actual return on scheme assets was £95,000 (2013: £60,000).

PLUME SCHOOL

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

31 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2014	2013
	£	£
Current service cost (net of employee contributions)	(100,000)	(63,000)
Past service cost	-	-
	<u> </u>	<u> </u>
Total operating charge	(100,000)	(63,000)
	<u> </u>	<u> </u>

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	46,000	20,000
Interest on pension liabilities	(179,000)	(119,000)
	<u> </u>	<u> </u>
Pension finance income/(costs) (note 8)	(133,000)	(99,000)
	<u> </u>	<u> </u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £221,000 loss (2013: £535,000 loss).

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

	2014	2013
	£	£
At 31 August 2013	3,573,000	2,874,000
Current service cost	378,000	312,000
Interest cost	179,000	119,000
Employee contributions	89,000	76,000
Actuarial loss	(258,000)	203,000
Benefits paid	(13,000)	(11,000)
	<u> </u>	<u> </u>
At 31 August 2014	3,948,000	3,573,000
	<u> </u>	<u> </u>

PLUME SCHOOL

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

31 Pension and similar obligations (continued)

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

	2014 £	2013 £
At 31 August 2013	614,000	240,000
Expected return on assets	46,000	20,000
Actuarial gains	56,000	40,000
Employer contributions	278,000	249,000
Employee contributions	89,000	76,000
Benefits paid	(13,000)	(11,000)
	<hr/>	<hr/>
At 31 August 2014	1,070,000 =====	614,000 =====

The estimated value of employer contributions for the year ending 31 August 2015 is £177,000 (2014: £252,000).

The five-year history of experience adjustments is as follows:

	2014 £	2013 £
Present value of defined benefit obligations	(3,948,000)	(3,573,000)
Fair value of share of scheme assets	1,070,000	614,000
	<hr/>	<hr/>
Deficit in the scheme	(2,878,000) =====	(2,959,000) =====

	2014	2013	2012
Experience adjustments on share of scheme assets:			
Amount £'000	56	40	1
Experience adjustments on scheme liabilities:			
Amount £'000	-	-	-

32 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, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

There are no related party transactions in the year other than those disclosed in note 11.