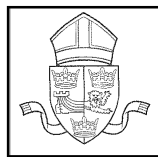




DEBENHAM HIGH SCHOOL

A Church of England High Performing Specialist Academy



GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013

Governors (Trustees/Directors)

*Mr Richard Boulter, Chairman - Foundation Governor
*Mr David Carruthers, Vice Chairman - Foundation Governor
Rev Patrick Cotton, Foundation Governor - ex-officio
Mr Paul Debenham, Local Authority Governor
Dr David Egan, Co-opted by Governors
Mr Chris Gilgan, Parent Governor
*Ms Siobhan Goodrich, Parent Governor
Mr Christopher Grover, Foundation Governor (appointed 1 April 2013)
*Mrs Fiona Hotston Moore, Co-opted by Governors
Mrs Sheila Janson, Co-opted by Members
Dr Hilary Marlow, Co-opted by Members
Mr David McMillan, Staff Governor - Teacher
*Mr Brian Poole, Parent Governor (appointed 14 February 2013)
*Mr David Ralph, Parent Governor
*Mr Robert Stevenson, Parent Governor
*Miss Julia Upton, Head Teacher - Accounting Officer
Mrs Lesley Wilson, Staff Governor - Support Staff
Mr David Yaroslaw, Staff Governor - Teacher

* Members of the Finance and General Purposes Committee.

The Members of the Academy comprise the signatories to the Memorandum of the Articles of Association, a Foundation member appointed by the Diocesan Board of Education and the Chair of Governors.

The following served as Members for the whole period covered by this report:-

The Rt Rev'd Nigel Stock, Bishop of St Edmundsbury & Ipswich
Mr Richard Boulter (Chair of Governors)
Mrs Janet Brown
Mr Robert Grimsey
*Mr Neil Serjeant

Mr Neil Serjeant is the Responsible Officer.

Their appointment dates from the inception of the company on 13 December 2010.

Company registered number

07467445

Senior Leadership Team (SLT)

Mr Simon Martin, Deputy Headteacher
Miss Susan McBurney, Assistant Headteacher
Mrs Louise Ramsay, Assistant Headteacher
Mrs Tracy Darby, Business Manager

Principal and registered office

Debenham High School, Gracechurch Street, Debenham, Suffolk, IP14 6BL

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
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Advisers (continued)

Independent auditors

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

Bankers

Lloyds TSB Commercial, Norwich, Norfolk, Norfolk, NR2 1LZ

HR/Payroll/Finance

Customer Service Direct, Constantine House, 5 Constantine Road, Ipswich, IP1 2DH

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

The membership of the various committee/working parties is shown below:

	Admissions Committee	Appeals Committee	Finance & General Purposes Committee	Hearings & Discipline Committee	Health & Safety Committee	Curriculum Working Party	School Dev. Working Party
Headteacher	*	*	*	*		*	*
Miss J Upton							
Nominated by Diocesan Board of Education							
Mr R Boulter	*		*	*		*	*
Mr D Carruthers		*	*			*	*
Mr C Grover	*					*	*
Rev P Cotton	*			*		*	*
Parent Governors							
Mr C Gilgan	*			*	*	*	*
Mr D Ralph			*	*		*	*
Mr B Poole		*	*			*	*
Mr R Stevenson		*	*		*	*	*
Mrs S Goodrich			*			*	*
Local Authority							
Mr P Debenham	*	*			*	*	*
Staff							
Mrs L Wilson						*	*
Mr D Yaroslaw				*		*	*
Mr D McMillan					*	*	*
Co-opted							
Dr H Marlow				*	*	*	*
Mrs S Janson	*			*		*	*
Dr D Egan					*	*	*
Mrs F Hotston Moore			*			*	*

a. CONSTITUTION

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

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

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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

documentation of the academy.

b. MEMBERS' LIABILITY

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

c. GOVERNORS' INDEMNITIES

The academy has obtained indemnity insurance to cover the liability of Members and Governors in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy. Insurer: Royal Sun Alliance; Limit of Indemnity: £2,000,000.

d. PRINCIPAL ACTIVITIES

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

e. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Members

The members of the Academy are:

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

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

Mrs Janet Brown: 31 December 2018
Mr Robert Grimsey: 31 December 2017
Mr Neil Serjeant: 31 December 2016

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Governors

The number of Governors shall not be less than three nor more than 18 except of appointments of any additional Governors made by the Secretary of State. The Academy shall have the following Governors:

- Two Governors appointed by Members
- Four Foundation Governors appointed (Rector Of Debenham and Helmingham Benefice Ex Officio Governors). Members may appoint further Foundation Governors provided the total number of Foundation Governors does not exceed 25% of the total number of Governors.
- One Local Authority Governor
- Three Staff Governors (The number of Staff Governors should not exceed 25% of the total number of Governors).
- Five Parent Governors elected by parents of registered pupils
- Two Co-opted Governors appointed by existing non co-opted Governors
- The Headteacher

f. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

All Governors and Members give a written undertaking to uphold the object of the Academy.

All Governors receive a welcome pack and a personal briefing. Documents relating to contemporary developments are circulated, when available, to Governors together with the handbook for training and support offered by the LA. Governors are offered and encouraged to take part in training, which is arranged to suit individual as well as group requirements.

All Members and Governors give of their time freely and no remuneration connected to their role as governors was paid in the period. (Staff Governors receive remuneration in relation to their employment as members of staff). Miss Upton claimed expenses during the period but only for travel and only in connection with her role as Headteacher. Mrs Wilson likewise claimed expenses during the period but only for travel and only in connection with her role as a member of support staff.

g. ORGANISATIONAL STRUCTURE

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

h. RISK MANAGEMENT

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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

As a Church of England Academy the school has strong links with the diocese of St Edmundsbury and Ipswich. The Chairman of Academy members group, Rt Rev Nigel Stock, is the Diocesan Bishop. The school has strong links with St Mary's Church in Debenham, using the church for a number of school events throughout the year. The vicar, along with those who work in other local churches, regularly delivers assemblies and support the development of a Christian ethos within the school.

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

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

Objectives and Activities

a. OBJECTS AND AIMS

The mission of the academy is:

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

The Academy aims:

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

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FOR THE YEAR ENDED 31 AUGUST 2013

b. STRATEGIES AND ACTIVITIES

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

The School Development Plan sets out how, over the next three years, we will:

- Provide outstanding opportunities for our students to learn, achieve, participate and lead
- Be a recognised centre for outstanding educational practice
- Recruit exceptional staff to a place of work that is characterised by innovation, wellbeing, creativity, and rigour

We will know that we have achieved this because we will:

- Achieve results that place us in the top 10% of schools nationally
- Be consistently over-subscribed
- Be frequently quoted for our good work in the local and national press
- Have higher than average numbers of staff wishing to come and work here

Our School Development Plan is split into four themes:

1. Improve Student Achievement
2. Staff Training and Development
3. Develop Facilities and Environment that Enhances Teaching and Learning
4. Develop Our Community and Partnership Support

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

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

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

Training opportunities are offered both in school and using external agencies for the continual professional development of all staff. The Academy sees all members of the organisation as learners, both students and adults alike. The Academy is committed to training the next generation of teachers and works with a range of institutions to prepare trainee teachers for their future in education.

The school utilises local leisure facilities to improve the offer to students as well as investing in two multi use games areas to allow year round use of school facilities.

An Information, Advice and Guidance service is open to all students to seek advice and guidance on how best to progress, both academically and personally. Students are also given teaching in key areas of their economic futures and personal well-being. The Academy uses external service providers to enhance provision where appropriate, such as counselling and medical advice.

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The Academy works closely with other educational providers in the pyramid and provides a range of services to our primary feeder schools to improve pupil outcomes, develop staff expertise and enhance provision. In order to create a smooth transition the Academy runs a number of liaison events to aid the movement from KS2 to the Academy.

c. PUBLIC BENEFIT

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

Achievements and performance

a. REVIEW OF ACTIVITIES

The Academy has a predominantly rural catchment area with 49% students travelling via bus. It places high importance on knowing every individual, making sure all students feel valued, developing their spiritual and emotional self and irrespective of background ensuring that each student has the highest aspirations of achievement. Alongside academic high expectations students, extra-curricular involvement is expected and leadership opportunities are exploited across the school to allow students to demonstrate responsibility. 80% of students attend at least one extra-curricular club. This does not include the many curricula based lunchtime and after-school opportunities. Our average KS2 points on entry show that we have an intake above the national ability average. We have seven feeder catchment schools but 35% of students come to us from beyond our catchment area. We are over-subscribed in every year group (with a PAN of 125 every year group has 130 pupils) and currently have a waiting list of 22 students for Year 7. Waiting lists are not held for other years.

The Academy has 9% SEND students (compared to national average of 2%), 33% of SEND pupils are from beyond our catchment. We have increasingly attracted parents of students of SEND students due to our excellent reputation for pastoral care, student support and excellent academic track record. 46% of students on the FSMever register are from out of catchment, demonstrating how we are seen as a school which supports the most disadvantaged.

Our absence rate is low and we set 95% as the minimum attendance benchmark. We set a target of 3% of students with persistent absence, the national average is 6.9% of students. In 2012-13 it was 3.0%. Our overall attendance rate (all sessions) in 2012-13 was 95%.

As a result of outstanding teaching students make excellent progress in all key stages. Students join the school with attainment that is well above average. Year 11 2012-13 had an average KS2 points score of 29.1 against the national average of 27.8 (Year 11 2011-12 were 28.8 average against national 27.6). 2013-14 year group profiles show that our intake varies from 29.7 to as low as 28.1 across the years.

2013 results were the highest ever for the school, with a year group with a similar profile to the previous cohort. Analysis of performance in 2013 shows:

- 80% of students achieved 5 A* - C including English and Mathematics (a 10% increase on 2012)
- 90% of students achieved 5 A* - C grades
- Three-quarters of subjects improved against progress measures from 2012. Most notable improvements were made in English Language, English Literature, English combined, Media, Spanish, French, RE and History.
- 31% of grades were A*/A

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- 85% of grades were A* - C
- Subjects that dipped on their performance from 2011-12 were: Core Science, Additional Science, Biology and Chemistry – this was the first year of a new specification and examination rubric and it is clear that this has had an impact on the results - particularly effected were the controlled assessment elements of these examinations. Despite these changes and from outstanding results in 2011-12 of 94% 2 A* - C, in 2012-13 they maintained 84% 2 A* - C; Design and Technology: Resistant Materials – still achieved above expected grades on average with only one student from a cohort of 16 achieving less than expected; Design and Technology: Food - still achieved above expected grades on average, with only two students below expected grades; Drama – very disappointing results with some bewildering marking of the performance element of the examination, this is in the process of being challenged with the examination board.

In the core subjects students make high progress. Many students make more than expected progress compared to the national averages. Progress measures in the core subjects are as follows:

- In 2013 English 92% (75% 2012) of students made at least 3 levels of progress, 54% (36% 2012) at least 4 levels.
- In 2013 Mathematics 88% (86% 2012) of students made at least 3 levels of progress, 48% (54% 2012) at least 4 levels.

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

The academy offers a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England. Its high academic performance has led it to start consultation on the establishment of a 6th form in preparation for when funds become available. Funding has been actively explored and a Sixth Form is still part of the long term aim of the Academy but at present funding routes for this seem limited.

Land and Buildings

During this financial year the school has increased the size of the school field thanks to a donation of a strip of land from a local builder. We continue to refurbish and improve the building as funds allow. Unfortunately the school was not awarded any new capital grant funding this year and so our programme of works has been more modest this year. We still aim to expand the school to ease congestion and cramped accommodation together with replacing roofs and upgrading the electrical infrastructure and heating systems. These projects will all be dependent upon the availability of grant funding.

Pupils and Discipline

Discipline continues to be good and is a recognised strength of the school. The behaviour of students within lessons and around the school, is outstanding. Behaviour is seen as a strength of the school by parents. Many parents chose the school from outside the catchment area for the sense of calm, positive relationships and excellent behaviour. As identified in the recent SIAS inspection the values of compassion, generosity and respect lie at the heart of this Christian school. We have a firm line on behaviour and expectations are high and sanctions consistently applied. In the last two years: external exclusion dropped (from 16 to 10 incidences); internal isolations dropped (from 102 to 52 incidents); referrals for poor behaviour inside or

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

outside of lessons dropped (886 to 545). Low-level behaviour and disruption training in November 2011, using external experts in behaviour management is in part attributed to this improvement. Lesson observations show that behaviour for and engagement in learning has improved. External exclusions are rare and there has only been one permanent exclusion in the last three years. The number of exclusions is well below the national average.

Improvement and Development Plan

The school had a newly appointed Headteacher in April 2012. The Headteacher, senior and middle leaders are uncompromising in their pursuit of excellence and striving for the best possible outcomes for all students. Succession planning ensured that the leadership team maintained a balance of skills after the departure of the previous Headteacher (April 2012) and Deputy Headteacher (February 2012), despite a reduction from two to one Deputy Headteachers. Each member of the leadership team has a particular area of strategic responsibility but also contributes to a specific element of improving teaching and learning. The Business Manager was appointed after academy conversion and is part of the leadership team. A clear management structure with links to the leadership team ensures that middle leaders are held to account for achievement of students that they are responsible for. Through the use of data, lesson observation and work scrutiny middle leaders check progress and quality of teaching and learning within their teams and hold staff to account for pupil outcomes. Regular one-to-one meetings provide challenge and support to middle leaders and ensure that the whole school development themes are consistency applied. These meetings balance a focus on staff development, monitoring student progress and interventions to support students. Sophisticated data ensures that pupils are tracked on a subject and holistic level by faculty/department and pastoral teams. External consultants and the Leading Edge partnership are used strategically for specific development for key middle leaders.

In order to focus on continual improvement the school has adopted a School Development Plan which will focus on 4 areas. These are:

- Improve Student Achievement (through a focus on high attainment, inclusion and literacy)
- Staff Training and Development
- Develop Facilities and Environment that enhances teaching and learning
- Develop our Community and Partnership support.

b. GOING CONCERN

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

c. KEY FINANCIAL PERFORMANCE INDICATORS

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

Having considered benchmarking data from across the Academies in Norfolk and Suffolk the Governors consider that a ratio of approximately 85% total staff costs as a percentage of GAG income is acceptable given that we do not contract out either cleaning or catering in school. We are a school that has low staff turnover with many experienced staff at the top of their respective pay scales. The level of staff required to deliver the top quality education the school prides itself on is reviewed regularly in light of projected pupil numbers and likely income levels. The budgetary ratio of pupil to teachers, including teaching SLT, is 15.86

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

for the year 2013-14. This allows the school to maintain appropriate class sizes and focus on ensuring maximum individual pupil achievement.

With the changes in the national funding formula the Governors and management team are acutely aware of the need for prudent financial management and budget planning to ensure the future sustainability of the academy.

Financial review

a. REVIEW

The school roll increased from 621 in October 2011 to 632 in October 2012. Most of the academy's income is obtained from the EFA, in the form of recurrent grants based on pupil numbers, the use of some of which is restricted for a particular purpose. Any restricted income received during the year ended the 31 August 2013 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The academy also receives a small annual grant for building maintenance from the EFA and in the past has benefitted from additional grant funding as the result of a bidding process for capital projects. This has enabled the school to complete an expansion of multipurpose office space, an expansion of the dining room, a new Science Laboratory and a classroom completed during 2011/12. In 2012 a further capital maintenance grant bid was successful and enabled the school to embark on a programme of repairs and renewals connected with the condition and health and safety focus of the capital maintenance grant programme. This work was completed by the end of March 2013. The school received no further capital maintenance grant in the year ending 31 August 2013.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Net income dropped by £449,796 this was in part due to a drop in capital income of £328,022 compared with 2011-12 and expenditure on premises, including the completion of the dining room and classroom building work, using balances brought forward from 2011-12.

During the year ended 31st August 2013 total revenue expenditure, excluding pension fund costs, of £3,358,324 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension fund costs) was £141,532. Combined with the brought forward from 11-12 of £263,606 and a transfer to the fixed asset fund of £40,032, gives a revenue carry forward figure of £365,106 which is broadly in line with the level of planned unrestricted reserves as detailed in the Reserves Policy. Given the uncertainty of future funding levels this is a prudent level of revenue reserves given the anticipated drop in funding for 2014-15 financial year.

It is anticipated that up to £16,000 of revenue will be transferred to fixed assets during 2013/14 financial year as part of the school five year IT development plan and our commitment to pay our annual salex loan repayment. £40,033 was transferred to fixed assets from revenue during 2012/13.

During the year ended 31 August 2013 the school received total capital income of £110,576 made up of the balance of an academies capital maintenance fund (ACMF) grant and the devolved formula capital (DFC) allocation for 2012-13. The excess of income over expenditure for capital was £26,543

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At 31 August 2013 the net book value of fixed assets was £5,655,131. Movement in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

b. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risks and uncertainties facing Debenham High School have increased this year as the Government and EFA begin the transition to the implementation of the new national funding formula. The level at which the government will guarantee future funding in the form of the minimum funding guarantee, (MFG), remains unclear moving forward. Given that for 2013-14 financial year the MFG is £239,698 the governors have mitigated the risk of a drop in this level of funding by increasing the level of reserves. Even though it is likely the MFG will be in place at a lower % for a further year the trend is downwards and this will impact greatly on rural high schools such as ourselves. The Governors and management team are acutely aware of the need to balance financial prudence with maintaining the top quality education provision Debenham prides itself on. The 3-year budget plan has been drawn up with predictions for future funding levels and reserves are a critical part of the plan to ensure the future sustainability of the school. The school continues to be oversubscribed which bodes well for pupil number driven funding. The school performance and reputation are key areas instrumental to the current and future financial well-being of the school.

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

The academy is obliged to reflect, as a liability, the actuarial deficit of the existing defined benefit pension obligations for staff in the Local Government Pension Scheme. The actuary calculated the fund attributable to Debenham to be a deficit of £208,000.

The Governors are aware that the Local Government Pension Scheme Pension Fund is in deficit. In line with the risk management plan the Governors consider the annual Actuary Report and as part of prudent financial management ensure future staff costs are assessed in the light of the likely need to increase future employer's contributions. Employer's contributions are expected to increase from April 2014 following the triennial review completed during 2013.

c. RESERVES POLICY

Reasons for Reserves

It is the aim of the Governors of the school to show a level of prudence and good financial planning to cover the unexpected and unplanned so that the academy's primary objective is preserved under unforeseen circumstances.

Risk Assessment

The risk for Debenham High School can be summarised as a risk to future income due to Government funding changes and falling pupil roll or delays in receipt of grant funding.

Other risks include extreme emergencies such as urgent maintenance issues and early teacher retirement due to ill health pension liabilities or redundancies due to drop in income and falling pupil numbers.

The opinion is that the above constitutes medium risk and a level of reserves is required given the uncertain level of future government funding.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Reserves Policy

For the reasons outlined above, the Governors feel it prudent to accumulate a revenue reserve carry forward of a minimum of £200,000. This is roughly equivalent to one month payroll cost at the current time. The level of retention and the risk assessment which helps justify this policy will be reviewed on an annual basis in the spring term.

The revenue reserve carry forward at 31 August 2013 was £365,106.

d. INVESTMENTS POLICY

The school maintains a credit balance with Lloyds Bank and receives a small amount of interest. £1,531 was received during the year ending 31st August 2013. The Governors are aware they have the freedom to invest more widely. Given the current economic climate and the poor current level of interest offered it has been considered unwise to tie up school funds when the level of benefit is very small and may adversely affect cash flow.

Plans for the future

a. FUTURE DEVELOPMENTS

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

Governors will continue to focus on:

- Developing educational facilities at the school within the constraints of current and predicted funding levels
- Developing links not only with the local community but by supporting the wider education community locally, nationally and globally
- Continuing to develop and offer ICT management and development services to more of our feeder primary schools
- The school has a long-term aim to expand to incorporate a Sixth Form. This is dependent on funding and will be pursued, as and when opportunity arises, with the EFA.
- Seeking ways to develop the academic achievements of the school by a continuous drive for improvement
- The school aims to continue to refurbish the school including replacing roofs, electrical and heating system and infrastructure. The school also aims to expand to incorporate a new teaching block and link to further ease the congestion in the school. These projects are incorporated into the School Building and Premises Development and Maintenance Plan and are dependent upon the award of grant funding.

This is underpinned by the school Improvement & Development Plan.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

The auditors, Larking Gowen, have indicated their willingness to continue in office. The governors have reappointed Larking Gowen for a further 3 years.

This report was approved by order of the Governors of the Academy on 3 December 2013 and signed on its behalf by:

Mr Richard Boulter
Chair of Governors

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

Governor	Meetings attended	Out of a possible
*Mr Richard Boulter, Chairman - Foundation Governor	5	5
*Mr David Carruthers, Vice Chairman - Foundation Governor	4	5
Rev Patrick Cotton, Foundation Governor - ex-officio	5	5
Mr Paul Debenham, Local Authority Governor	5	5
Dr David Egan, Co-opted by Governors	4	5
Mr Chris Gilgan, Parent Governor	3	5
*Ms Siobhan Goodrich, Parent Governor	4	5
Mr Christopher Grover, Foundation Governor	2	2
*Mrs Fiona Hotston Moore, Co-opted by Governors	3	5
Mrs Sheila Janson, Co-opted by Members	5	5
Dr Hilary Marlow, Co-opted by Members	5	5
Mr David McMillan, Staff Governor - Teacher	4	5
*Mr Brian Poole, Parent Governor	3	3
*Mr David Ralph, Parent Governor	1	5
*Mr Robert Stevenson, Parent Governor	3	5
*Miss Julia Upton, Head Teacher - Accounting Officer	5	5
Mrs Lesley Wilson, Staff Governor - Support Staff	4	5
Mr David Yaroslaw, Staff Governor - Teacher	4	5

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GOVERNANCE STATEMENT (continued)

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to scrutinise the school's finances and have financial oversight of the financial management of the school.

During the year Mr Brian Poole, who is a Sales Manager joined the committee .

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr Richard Boulter - Chairman to February 2013	6	6
Miss Julia Upton - Head & Accounting Officer	6	6
Mr David Carruthers - Chairman from February	5	6
Mr Brian Poole - Joined May 2013	1	2
Ms Siobhan Goodrich	2	6
Mrs Fiona Hotston Moore	6	6
Mr David Ralph	4	6
Mr Rob Stevenson	5	6
Mr Neil Serjeant - Member & Responsible Officer	2	6

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Debenham High School for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial

DEBENHAM HIGH SCHOOL
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GOVERNANCE STATEMENT (continued)

performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mr Neil Serjeant, a Member and Chartered Management Accountant, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The school has also bought in an external Internal audit service from Customer Service Direct (CSD) to support and report to Mr Serjeant. The RO reports to the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The report generated by CSD is presented to the FGP Committee and is reported to the Full Governing Body.

In the year under review only minor points have been raised and the controls in place were considered "outstanding".

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 3 December 2013 and signed on their behalf, by:

Mr Richard Boulter
Chair of Governors

Miss Julia Upton
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Debenham High School I have considered my responsibility to notify the academy Governing Body 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 (2012).

I confirm that I and the academy Governing Body are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Miss Julia Upton
Accounting Officer

Date: 3 December 2013

DEBENHAM HIGH SCHOOL
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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

The Governors (who act as governors of Debenham High School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

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

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

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

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

Approved by order of the members of the Governing Body on 3 December 2013 and signed on its behalf by:

Mr Richard Boulter
Chair of Governors

DEBENHAM HIGH SCHOOL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEBENHAM HIGH SCHOOL

We have audited the financial statements of Debenham High School for the year ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEBENHAM HIGH SCHOOL

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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Julie Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen

Chartered Accountants
Statutory Auditors

Ipswich

Date:

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO DEBENHAM
HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Debenham High School during the year 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Debenham High School's funding agreement with the Secretary of State for Education dated 31 December 2010, and the Academies Financial Handbook extant from 1 September 2012, 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. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 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's income and expenditure.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

APPROACH (CONTINUED)

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2013 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Academy's Governors.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Julie Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen

Chartered Accountants
Statutory Auditors

Ipswich

Date:

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>	
Note						
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	2,784	1,175	-	3,959	3,674
Activities for generating funds	3	285,367	2,750	-	288,117	218,029
Investment income	4	1,531	-	-	1,531	1,586
Funding for the academy trust's educational operations	5	63,744	3,142,505	110,576	3,316,825	3,565,574
TOTAL INCOMING RESOURCES		353,426	3,146,430	110,576	3,610,432	3,788,863
RESOURCES EXPENDED						
Charitable activities	8	213,246	3,132,044	161,471	3,506,761	3,227,109
Governance costs	6	-	10,057	-	10,057	4,928
Other resources expended	7	15,772	4,205	-	19,977	33,393
TOTAL RESOURCES EXPENDED		229,018	3,146,306	161,471	3,536,795	3,265,430
NET INCOMING RESOURCES BEFORE TRANSFERS, CARRIED FORWARD		124,408	124	(50,895)	73,637	523,433

DEBENHAM HIGH SCHOOL
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STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
NET INCOMING RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD		124,408	124	(50,895)	73,637	523,433
Transfers between Funds	20	(24,992)	(15,040)	40,032	-	-
NET INCOME FOR THE YEAR		<u>99,416</u>	<u>(14,916)</u>	<u>(10,863)</u>	<u>73,637</u>	<u>523,433</u>
Actuarial gains and losses on defined benefit pension schemes		-	37,000	-	37,000	(82,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>99,416</u>	<u>22,084</u>	<u>(10,863)</u>	<u>110,637</u>	<u>441,433</u>
<i>Total funds at 1 September 2012</i>		<u>257,455</u>	<u>(221,849)</u>	<u>5,650,284</u>	<u>5,685,890</u>	<u>5,244,457</u>
TOTAL FUNDS AT 31 AUGUST 2013		<u><u>356,871</u></u>	<u><u>(199,765)</u></u>	<u><u>5,639,421</u></u>	<u><u>5,796,527</u></u>	<u><u>5,685,890</u></u>

All activities relate to continuing operations.

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

The notes on pages 29 to 49 form part of these financial statements.

DEBENHAM HIGH SCHOOL
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BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	15		5,655,131		5,692,213
CURRENT ASSETS					
Stocks	16	7,260		6,480	
Debtors	17	69,625		170,944	
Cash at bank and in hand		435,712		474,141	
			512,597	651,565	
CREDITORS: amounts falling due within one year	18	(127,677)		(387,636)	
NET CURRENT ASSETS			384,920		263,929
TOTAL ASSETS LESS CURRENT LIABILITIES			6,040,051		5,956,142
CREDITORS: amounts falling due after more than one year	19		(35,524)		(42,252)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			6,004,527		5,913,890
Defined benefit pension scheme liability	26		(208,000)		(228,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			5,796,527		5,685,890
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	8,235		6,151	
Restricted fixed asset funds	20	5,639,421		5,650,284	
Restricted funds excluding pension liability		5,647,656		5,656,435	
Pension reserve		(208,000)		(228,000)	
Total restricted funds			5,439,656		5,428,435
Unrestricted funds	20		356,871		257,455
TOTAL FUNDS			5,796,527		5,685,890

The financial statements were approved by the Governors, and authorised for issue, on 3 December 2013 and are signed on their behalf, by:

Mr Richard Boulter
Chair of Governors

The notes on pages 29 to 49 form part of these financial statements.

DEBENHAM HIGH SCHOOL
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	22	(19,418)	382,824
Returns on investments and servicing of finance	23	1,531	1,586
Capital expenditure and financial investment	23	(13,814)	(240,240)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(31,701)	144,170
Financing	23	(6,728)	-
(DECREASE)/INCREASE IN CASH IN THE YEAR		(38,429)	144,170

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	2013 £	2012 £
(Decrease)/Increase in cash in the year	(38,429)	144,170
Cash outflow from decrease in debt and lease financing	6,728	-
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(31,701)	144,170
New loan finance	-	(48,980)
MOVEMENT IN NET FUNDS IN THE YEAR	(31,701)	95,190
Net funds at 1 September 2012	425,161	329,971
NET FUNDS AT 31 AUGUST 2013	393,460	425,161

The notes on pages 29 to 49 form part of these financial statements.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Fund accounting

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

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

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

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

DEBENHAM HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.4 Incoming resources

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

In particular the use of Pupil Premium is monitored and a statement showing the use and impact of this is available to all parties on the school website.

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

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

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

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

DEBENHAM HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

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

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

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.

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

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

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

DEBENHAM HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.7 Leased Assets

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

1.8 Stocks

Unsold uniform stock, catering stock and heating gasoil is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Taxation

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

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Donations	2,784	1,175	3,959	3,674

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Other non-governmental income	-	2,750	2,750	-
Items sold	24,578	-	24,578	30,785
Income from services provided	37,682	-	37,682	26,251
Hire of facilities	4,530	-	4,530	3,968
Catering income	119,450	-	119,450	106,568
Academy trips	98,194	-	98,194	50,457
Insurance claims	933	-	933	-
	<u>285,367</u>	<u>2,750</u>	<u>288,117</u>	<u>218,029</u>

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Investment income	1,531	-	1,531	1,586

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
General Annual Grant	-	3,140,005	3,140,005	3,117,292
Other DfE/EFA Grants	11,519	-	11,519	9,400
DfE/EFA Capital Grants	-	110,576	110,576	438,598
Other Government Grants	52,225	2,500	54,725	284
	<u>63,744</u>	<u>3,253,081</u>	<u>3,316,825</u>	<u>3,565,574</u>

6. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Governance Auditors' remuneration	-	4,750	4,750	3,195
Other governance costs	-	5,307	5,307	1,733
	<u>-</u>	<u>10,057</u>	<u>10,057</u>	<u>4,928</u>

7. OTHER RESOURCES EXPENDED

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Equipment for feeder primary schools	300	-	300	1,967
Other expenditure	15,472	4,205	19,677	31,426
	<u>15,772</u>	<u>4,205</u>	<u>19,977</u>	<u>33,393</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Direct costs 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Staff Costs	2,290,234	399,687	2,689,921	2,575,292
Premises	-	337,036	337,036	267,957
Other Costs	360,219	119,585	479,804	383,860
Total	2,650,453	856,308	3,506,761	3,227,109

The Accounts Direction 2013 provides new guidance on the basis of allocation of expenditure between direct and support costs. The guidance has been applied to both the current year and comparative figures, resulting in a restatement of the comparative split. There has been no change to total comparative expenditure.

9. DIRECT COSTS

	Staff Costs £	Other Costs £	Total 2013 £	Total 2012 £
Depreciation	-	46,710	46,710	31,426
Technology costs	-	45,591	45,591	37,700
Educational supplies	-	108,737	108,737	101,047
Examination fees	-	41,819	41,819	51,190
Educational consultancy	-	5,431	5,431	4,489
Other direct costs	-	94,397	94,397	45,281
Pupil recruitment and support	-	17,534	17,534	6,639
Wages and salaries	2,290,234	-	2,290,234	2,193,090
Total	2,290,234	360,219	2,650,453	2,470,862

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

10. SUPPORT COSTS

	Staff Costs	Premises	Other Costs	Total 2013	Total 2012
	£	£	£	£	£
Depreciation	-	114,761	-	114,761	96,444
Technology costs	-	-	5,259	5,259	5,000
Staff development and other indirect expenses	30,753	-	-	30,753	28,248
Maintenance of premises and equipment	-	121,354	-	121,354	71,237
Cleaning	-	2,181	-	2,181	1,857
Rent and rates	-	34,789	-	34,789	33,121
Utilities/energy costs	-	40,244	-	40,244	37,275
Insurance	-	23,707	-	23,707	28,023
Catering	-	-	56,625	56,625	47,501
Other support costs	-	-	57,701	57,701	53,586
Wages and salaries	351,934	-	-	351,934	352,954
LGPS pension movements (note 26)	17,000	-	-	17,000	1,000
	<u>399,687</u>	<u>337,036</u>	<u>119,585</u>	<u>856,308</u>	<u>756,246</u>

11. NET INCOMING RESOURCES

This is stated after charging:

	2013	2012
	£	£
Depreciation of tangible fixed assets: - owned by the charity	161,472	127,869
Auditors' remuneration	2,650	2,500
Auditors' remuneration - non-audit	2,100	695
	<u>166,222</u>	<u>131,064</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

12. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries - see breakdown below	2,642,167	2,546,044
Other pension costs - see note 26	17,000	1,000
	2,659,167	2,547,044
Staff development expenses	14,625	16,422
Indirect employee expenses	16,129	11,826
	2,689,921	2,575,292

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

	2013 No.	2012 No.
	76	75
	76	75

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

	2013 No.	2012 No.
In the band £70,001 - £80,000	1	0
	1	0

There was a change of headteacher in April 2012 meaning neither headteacher earned a full year salary during the year ending 31 August 2012.

The above employee participated in the Teachers' Pension Scheme. During the year ending 31 August 2013 pension contributions for this individual amounted to £10,010.

Wages and salaries breakdown

	2013 £	2012 £
Wages and salaries	2,199,389	2,122,717
Social security costs	156,234	148,242
Pension costs	286,544	275,085
	2,642,167	2,546,044
Total	2,642,167	2,546,044

of which supply teacher costs	£ 4,383	£ 5,791
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

13. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 1 Governor (2012 - 1) in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 3 Governors (2012 - 3) in respect of defined benefit pension schemes.

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration including employers pension contribution fell within the following bands:

	2013	<i>2012</i>
	£'000	<i>£'000</i>
Miss J Upton, Headteacher	80-85	<i>25-30 (part year)</i>
Mr D Yaroslaw, Staff Governor	45-50	<i>45-50</i>
Mr D Macmillan, Staff Governor	45-50	<i>45-50</i>
Mrs L Wilson, Staff Governor	20-25	<i>20-25</i>

During the year, Miss J Upton claimed travel expenses of £291 in connection with her role as Headteacher. Mrs Lesley Wilson likewise claimed £17 during the period for travel in connection with her role as a member of support staff. No other expenses to Governors were paid (2012 - £NIL).

14. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The limit of indemnity for this cover is £2,000,000 (all claims in the aggregate during the period of insurance and with an excess of £250 in respect of each and every claim). The cost for the year ended 31 August 2013 was £164 (2012 - £630).

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

15. TANGIBLE FIXED ASSETS

	Leasehold land & buildings £	Plant & machinery £	Furniture & equipment £	Computer equipment & software £	Total £
Cost					
At 1 September 2012	5,645,156	8,000	144,793	81,527	5,879,476
Additions	46,036	23,782	37,893	16,679	124,390
At 31 August 2013	<u>5,691,192</u>	<u>31,782</u>	<u>182,686</u>	<u>98,206</u>	<u>6,003,866</u>
Depreciation					
At 1 September 2012	149,410	-	6,939	30,914	187,263
Charge for the year	109,197	5,564	16,306	30,405	161,472
At 31 August 2013	<u>258,607</u>	<u>5,564</u>	<u>23,245</u>	<u>61,319</u>	<u>348,735</u>
Net book value					
At 31 August 2013	<u>5,432,585</u>	<u>26,218</u>	<u>159,441</u>	<u>36,887</u>	<u>5,655,131</u>
At 31 August 2012	<u>5,495,746</u>	<u>8,000</u>	<u>137,854</u>	<u>50,613</u>	<u>5,692,213</u>

In the year, the Academy was gifted the freehold to a strip of land (0.85 acres) at the bottom of the school field. Since this area is landlocked and there are strict covenants in place forbidding any development thereon, the fair value of the land is considered nil and no intangibles have been recognised in the accounts for the transaction.

16. STOCKS

	2013 £	2012 £
Finished goods and goods for resale	<u>7,260</u>	<u>6,480</u>

17. DEBTORS

	2013 £	2012 £
Other debtors	-	859
Prepayments and accrued income	50,038	33,742
Tax recoverable	19,587	136,343
	<u>69,625</u>	<u>170,944</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

18. CREDITORS:
Amounts falling due within one year

	2013	2012
	£	£
Other loans	6,728	6,728
Trade creditors	47,426	241,162
Other creditors	4,414	2,992
Accruals and deferred income	69,109	136,754
	<u>127,677</u>	<u>387,636</u>

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

	2013	2012
	£	£
Other loans	35,524	42,252

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	257,455	353,426	(229,018)	(24,992)	-	356,871
Restricted funds						
Restricted General Funds						
General Annual Grant	4,669	3,136,086	(3,045,735)	(88,040)	-	6,980
Other DfE/EFA grants	3,010	-	(3,010)	-	-	-
Other restricted reserves	(1,528)	10,344	(7,561)	-	-	1,255
Other Restricted funds	(228,000)	-	(90,000)	73,000	37,000	(208,000)
	<u>(221,849)</u>	<u>3,146,430</u>	<u>(3,146,306)</u>	<u>(15,040)</u>	<u>37,000</u>	<u>(199,765)</u>
Restricted fixed asset funds						
DfE/EFA capital grants	619,035	110,576	(31,779)	-	-	697,832
Capital expenditure from GAG	68,690	-	(42,330)	10,834	-	37,194
Capital expenditure from other funds	4,962,559	-	(87,362)	29,198	-	4,904,395
	<u>5,650,284</u>	<u>110,576</u>	<u>(161,471)</u>	<u>40,032</u>	<u>-</u>	<u>5,639,421</u>
Total restricted funds	<u>5,428,435</u>	<u>3,257,006</u>	<u>(3,307,777)</u>	<u>24,992</u>	<u>37,000</u>	<u>5,439,656</u>
Total of funds	<u><u>5,685,890</u></u>	<u><u>3,610,432</u></u>	<u><u>(3,536,795)</u></u>	<u><u>-</u></u>	<u><u>37,000</u></u>	<u><u>5,796,527</u></u>

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

The General Annual Grant is used for the normal running costs of the Academy and does include Pupil premium which this year amounted to £61,599, £4,000 Year 7 Catch Up Premium and £5,508 Looked After Children grants. Details of the use and impact of the pupil premium grant are reported, as expected by OFSTED, on the school website.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

20. STATEMENT OF FUNDS (continued)

Other restricted funds include donations of £1,175, which comprises £50 for the up keep of the memorial garden and £1,125 for school prizes.

The school also received, from the Local Authority, High Needs Top up Funding of £2,500 for the summer term which was expended on education support staff costs to support those identified students.

DfE/EFA capital grants of £96,080 (Capital Maintenance Fund), £14,496 (Devolved Formula Capital Grant) totalling £110,576 have been received. The Capital Maintenance Grant has allowed the completion of a wide ranging health and safety and condition project that included upgrading the fire protection within the building, replacing large sections of windows and doors, upgrading the kitchen electrical infrastructure and various other related projects. £40,034 was transferred to fixed assets during the period, made up of £10,834 from GAG and £29,200 from unrestricted funds. The £73,000 employer's pension contribution was also financed by GAG.

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 2013.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
Tangible fixed assets	-	-	5,655,131	5,655,131	5,692,212
Current assets	377,893	108,161	26,543	512,597	651,566
Creditors due within one year	(21,022)	(99,926)	(6,729)	(127,677)	(387,636)
Creditors due in more than one year	-	-	(35,524)	(35,524)	(42,252)
Provisions for liabilities and charges	-	(208,000)	-	(208,000)	(228,000)
	<u>356,871</u>	<u>(199,765)</u>	<u>5,639,421</u>	<u>5,796,527</u>	<u>5,685,890</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Net incoming resources before revaluations	73,637	523,433
Returns on investments and servicing of finance	(1,531)	(1,586)
Depreciation of tangible fixed assets	161,472	127,870
Capital grants from DfE	(110,576)	(438,598)
(Increase)/decrease in stocks	(780)	1,667
Decrease/(increase) in debtors	101,321	(10,690)
(Decrease)/increase in creditors	(259,961)	179,728
LGPS movements (note 26)	17,000	1,000
	(19,418)	382,824
	(19,418)	382,824

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

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	1,531	1,586
	1,531	1,586
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(124,390)	(678,838)
Capital grants from DfE	110,576	438,598
	(13,814)	(240,240)
	(13,814)	(240,240)
Financing		
Repayment of loans	(6,728)	-
	(6,728)	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	474,141	(38,429)	-	435,712
Debt:				
Debts due within one year	(6,728)	6,728	(6,728)	(6,728)
Debts falling due after more than one year	(42,252)	-	6,728	(35,524)
Net funds	425,161	(31,701)	-	393,460

25. CONTINGENT ASSET

'During the year the academy became aware that it may receive monies from an historic agreement between developers and the local planning authority. The sum, which is approximately £41,000 and to be spent on educational facilities, has not yet been received as this is contingent on legal process which is still pending, and qualifying expenditure. The asset has not been recognised in the financial statements.

26. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

26. PENSION COMMITMENTS (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the

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26. PENSION COMMITMENTS (continued)

TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £98,000, of which employer's contributions totalled £73,000 and employees' contributions totalled £25,000. The agreed contribution rates for future years are 16.8% for employers and variable% for employees dependent on salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - 13,500	5.50%
£13,501 - £15,800	5.80%
£15,801 - £20,400	5.90%
£20,401 - £34,000	6.50%
£34,001 - £45,500	6.80%
£45,501 - £85,300	7.20%
Above £85,300	7.50%

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

DEBENHAM HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	2013 £	2012 £
Present value of defined benefit obligations	(1,052,000)	(881,000)
Fair value of scheme assets	844,000	653,000
	<u> </u>	<u> </u>
Net liability	<u><u>(208,000)</u></u>	<u><u>(228,000)</u></u>

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

	2013 £	2012 £
Current Service Cost	<u><u>(84,000)</u></u>	<u><u>(68,000)</u></u>

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

	2013 £	2012 £
Opening defined benefit obligation	881,000	668,000
Contributions by scheme participants	25,000	25,000
Actuarial Losses	24,000	81,000
Interest cost	38,000	39,000
Current Service Cost	84,000	68,000
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u><u>1,052,000</u></u>	<u><u>881,000</u></u>

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

	2013 £	2012 £
Opening fair value of scheme assets	653,000	523,000
Actuarial gains and (losses)	61,000	(1,000)
Contributions by employer	73,000	72,000
Contributions by employees	25,000	25,000
Expected return on assets	32,000	34,000
	<u> </u>	<u> </u>
	<u><u>844,000</u></u>	<u><u>653,000</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 £25,000 loss (2012 - £62,000 loss).

The academy expects to contribute £71,000 to its Defined benefit pension scheme in 2014.

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26. PENSION COMMITMENTS (continued)

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

	2013	2012
Equities	6.70 %	5.50 %
Bonds	4.10 %	2.80 %
Property	4.70 %	3.70 %
Cash	3.60 %	2.80 %

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.10 %
Expected return on scheme assets at 31 August	5.90 %	4.50 %
Rate of increase in salaries	5.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %

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

	2013	2012
Retiring today		
Males	21.4 years	21.4 years
Females	23.3 years	23.3 years
Retiring in 20 years		
Males	23.7 years	23.7 years
Females	25.7 years	25.7 years

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

Defined benefit pension schemes

	2013	2012	2011
	£	£	£
Defined benefit obligation	(1,052,000)	(881,000)	(668,000)
Scheme assets	844,000	653,000	523,000
Deficit	(208,000)	(228,000)	(145,000)
Experience adjustments on scheme liabilities	(24,000)	(81,000)	59,000
Experience adjustments on scheme assets	61,000	(1,000)	(39,000)

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NOTES TO THE FINANCIAL STATEMENTS
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27. OPERATING LEASE COMMITMENTS

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows:

	2013	2012
	£	£
Expiry date:		
Within 1 year	234	10,226
Between 2 and 5 years	4,429	3,758
Total	4,663	13,984

28. RELATED PARTY TRANSACTIONS

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

Mrs Sarah Ralph is the wife of Mr David Ralph. Mrs Sarah Ralph was employed as a Teaching Assistant on a contract approved by the governors.

Mrs Carol Gilgan is the wife of Mr Chris Gilgan. Mrs Carol Gilgan was employed as a Teaching Assistant on a contract approved by the governors.

Mrs Sarah Carruthers is the wife of Mr David Carruthers. Mrs Sarah Carruthers was employed as a Casual Exam Invigilator on a contract approved by the governors.

With regards to the above, remuneration packages are in line with the standard payscale for their roles and their employment contracts are subject to normal terms and conditions. Their employments are authorised by the Articles.