



DEBENHAM HIGH SCHOOL

A Church of England High Performing Specialist Academy



GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its governors and advisers	1 - 2
Governors' report	3 - 16
Governance statement	17 - 19
Statement on regularity, propriety and compliance	20
Governors' responsibilities statement	21
Independent auditors' report	22 - 23
Independent reporting accountant's assurance report on regularity	24 - 25
Statement of financial activities	26 - 27
Balance sheet	28
Cash flow statement	29
Notes to the financial statements	30 - 50

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Governors (Trustees/Directors)

*Mr Richard Boulter, Chairman - Foundation Governor
(Chair of Governors until 7 October 2014)
*Mr David Carruthers, Vice Chairman - Foundation Governor
(Chair of Governors from 7 October 2014)
Rev Patrick Cotton, Foundation Governor - ex-officio
Mr Paul Debenham, Local Authority Governor
Dr David Egan, Co-opted by Governors
Mr Christopher Gilgan, Parent Governor
*Ms Siobhan Goodrich, Parent Governor
(Vice-Chairman from 7 October 2014)
Mr Christopher Grover, Foundation Governor
*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
*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 or part of the period covered by this report:-

The Rt Rev'd Nigel Stock, Bishop of St Edmundsbury & Ipswich
(Appointed by the Diocesan Board of Education) (Until 20 October 2013)
The Rt Rev'd David Thomson, Acting Bishop of St Edmundsbury & Ipswich
(Appointed by the Diocesan Board of Education) (From 21 October 2013)
Mr Richard Boulter (Chair of Governors until 7 October 2014)
Mr David Carruthers (Chair of Governors from 7 October 2014)
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

Principal and registered office

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

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Administrative details (continued)

Senior Leadership Team (SLT)

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

Independent auditors

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

Bankers

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

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

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

The trust operates a popular outstanding Church of England academy for students aged 11 to 16 serving a catchment area north west of Ipswich in rural Suffolk. It is oversubscribed with 645 students on roll (October census 2013) with a planned capacity of 625.

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 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. 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;

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

- 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

Governors

The number of Governors shall not be less than 3 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

e. 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, Mr Yaroslaw and Mrs Wilson claimed expenses during the period but only for travel and only in connection with their roles at the school.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Broadly:

- The Members have accountability for ensuring that the academy meets the stated purpose for which it exists.
- Governors as Directors are responsible for the formulation of policy, financial management, and holding the school to account for the delivery of the academy's objectives.
- The day-to-day management of the school is delegated to the Headteacher under a formal scheme of delegation.
- The Governors have delegated specific responsibilities to committees, which are able to consider and make decisions in regard to defined areas of Governors' responsibilities:

o	Admissions Committee	Chairman: Mr Paul Debenham
o	Appeals Committee	Chairman: Mr David Carruthers
o	Finance & General Purposes Committee	Chairman: Mr David Carruthers
o	Health & Safety Committee	Chairman: Mr Christopher Gilgan
o	Hearings/Discipline Committee	Chairman: Dr Hilary Marlow

- The Governors are further supported by a number of Working Parties. These Working Parties consider issues and make recommendations to the Full Governing Body. They are:

o	Curriculum Working Party	Chairman: Miss Julia Upton
o	School Development Working Party	Chairman: Mr Richard Boulter

- The Full Governing Body met 5 times during the school year under the chairmanship of Mr Richard Boulter, and in his absence Mr David Carruthers, to discuss the business of the school and to receive reports from the committees and working parties.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

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			*			*	*

f. 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.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

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

Objectives and Activities

a. 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."

b. OBJECTIVES 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.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

- 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.

c. 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
- Offer a range of CPD opportunities

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.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

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.

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.

The Academy works closely with other educational providers in the pyramid and provides a range of services to our primary feeder school 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.

d. 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.

Strategic report

Achievements and performance

a. REVIEW OF ACTIVITIES

The Academy has a predominantly rural catchment area with 49% of students travelling via bus. It places high importance on knowing every individual, making sure all students feel valued, developing their spiritual and emotional self and irrespective of background ensuring that each student has the highest aspirations of achievement. Alongside high academic expectations, extra-curricular involvement is expected and leadership opportunities are exploited across the school to allow students to demonstrate responsibility. We have seven feeder catchment schools but 35% of students come to us from beyond our catchment area.

We are over-subscribed in every year group (with a PAN (pupil admission number) of 125 in every year group).

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 2013-14 had an average KS2 points score broadly in line with the national average (28.8 against 27.9). (Year 11 2012-13 were 29.1 average against national 27.8).

	APS	U (%)	M (%)	L (%)
Year 11 2013-14	28.8	44.4	46	9.5

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

The school uses Fisher Family Trust benchmarking data to set targets. The school uses the most aspirational benchmark data for the top 25% of performance (FFTD). FFT use historic progression measures to set targets for GCSE from Key Stage 2 attainment. The school has compared itself against this measure for the last 5 years.

The 2014 results were the highest ever value-added for the school, using FFTD as a benchmark the minimum attainment was +0.01. These results surpass the FFT residual comparison of 2013 (-0.21), which resulted in VA score of 1020.7 in RAISE. (The RAISE data also measures progression, 1,000 is the national average.) Given the comparison from our FFT benchmark and previous RAISE progression measures we expect to be over 1,000 once more.

Analysis of performance in 2014 shows:

- 70% of students achieved 5A*-C including English and Mathematics
- 90% of students achieved 5A*-C grades
- 18 out of 25 of subjects improved against progress measures from 2013, this follows an improvement by 70% of subjects in 2013 from 2012. One subject of the 25 was a new course for 2014 and one was examined for the last time following removal of the course from the GCSE offer.
- 32% of grades were A*/A
- 84% of grades were A*-C

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 2014 English 44% of students made at least 4 levels of progress (National 2013 30%); 84% of students made at least 3 levels of progress (National 2013 69%)
- In 2014 Mathematics 51% of students made at least 4 levels of progress (National 2013 32%); 76% of students made at least 3 levels of progress (National 2013 70%)

With a consistent mainly GCSE diet this represents an improvement in attainment through improved teaching and learning rather than by modification of the curriculum. The KS4 offer is changed every year to adapt to each cohort. In September 2014 GCSE Computing and Engineering will be introduced and Environmental Science phased out. Where appropriate individuals study a bespoke curriculum to reflect learning needs that are significantly different from the majority of students. Where such provision exists this is created with emphasis on the core skills of literacy and numeracy and consideration of appropriate pathways beyond KS4.

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

Our absence rate is low. We set a target of 3% of students with persistent absence, the national average is 6.9% of students. In 2012-13 our proportion of students with persistent absence was 2.5%. The national expectation for the % attendance rate (proportion of sessions attended by all students) is 90%. Our overall attendance rate (all sessions) in 2013-14 was 95.1%.

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 and departmental 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, Services Children).

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

The quality of teaching is consistently good or better, with much that is outstanding (July 2014 – 94% Good or better, 39% Outstanding. This is an improvement of 6% on 2013, despite more robust criteria). This is evidenced through regular faculty and departmental reviews, performance management observations and learning walks. The view of students and parents endorses the belief that the quality of education at the school is outstanding. Teachers plan lessons very well, use a range of strategies to engage and motivate students, give careful consideration for the range and needs of students within each class and use sharply focused and timely support and intervention to ensure that students make high rates of progress. Students feel strongly that they get an outstanding education at Debenham High School (at least 97% in every year group) and parents concur.

In addition to examination success students develop a wide range of skills, including a spiritual awareness. The most recent SIAS inspection (December 2012) found the distinctiveness and effectiveness of the school to be Outstanding. The provision for spiritual, moral, social and cultural development is outstanding. Pupils articulate their understanding of spirituality and are confident to talk openly about faith and belief. The Christian ethos is embedded in all aspects of school life.

Teachers are increasingly conscious of their own professional development. A greater focus on the teacher standards in performance management and more opportunities through a number of forums to share pedagogy and practice have created a culture of reflective practice. In 2014-15 twilight training will be used to personalise professional development, formalise peer observations and allow staff to develop which theme from the SDP they feel they need to improve following training over the previous two years. Whole school training has been delivered by colleagues within school and is research-based. Use of staff who have completed MA modules (supported by the school) as well as recognised outstanding teachers has created a broad base of expertise that is then shared regularly in less formal settings as part of general professional conversations between colleagues. Weekly references to educational developments in staff newsletter, half-termly Teaching and Learning Community meetings and twilight training delivered by a range of teaching experience and seniority, have all supported an undeterred focus on teaching and learning. In 2013-14 the TLC created a half-termly “newsletter” to share examples of outstanding practice from within and beyond the school to all teachers. Twilight training in 2013-14 related to whole school development themes but was also linked to performance management targets. Use of training time in 2014-15 will allow for tailoring to bespoke needs.

Teachers are increasing the opportunity and variety of strategies for developing literacy and numeracy skills across all subjects and this has been a key focus for the school this year. Our commitment to literacy and numeracy development extends beyond our school in the form of outreach work with our feeder primary schools. Following concerns with KS2 attainment in Suffolk from September 2012 we formalised the use of our Head of Mathematics in our primary feeder schools one day a week, from September 2013 an English specialist was added for one afternoon a week. These two members of staff work in our feeder primaries with colleagues at KS2 to improve transition through a shared understanding of English and Mathematics teaching. The model is bespoke to each primary school and each subject. In 2013-14 work in literacy focused on a Spelling Punctuation And Grammar and moderation of writing; in numeracy on specific sub-group support for Year 6 students and creation of a calculation policy common to all schools. In 2013-14 we also offered support in PE with coaching of colleagues in the delivery of three specific KS2 PE modules by DHS staff.

The academy offers a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England. Given high academic performance the school has a long term aim to establish a sixth form. Funding has been actively explored but at present funding routes for this seem limited.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

Land and Buildings

We continue to refurbish and improve the building as funds allow. We still aim to expand the school to ease congestion and cramped accommodation together with replacing roofs and upgrading the electrical infrastructure. These projects will all be dependent upon the availability of grant funding. The school has been awarded ACMF grant funding to replace our boiler and much of our heating infrastructure. This project will start during autumn term 2014-15.

Pupils and Discipline

Key aspects of the School Development Plan for 2012-15 were:

- Independent learning – Develop explicit teaching skills to encourage student reflection and insight to not just what but how they are learning (added September 2013)
- Challenging the most able – Consider techniques for inspiring and challenging the most able students through specific teaching methods (added September 2013)
- Planning for progress – Ensuring that teachers are aware of students' starting points and any particular learning needs and lessons are planned to ensure all students make progress, whatever their starting point.
- Marking and feedback - Students receive high quality marking and feedback on their work. This is clear from assessed work, lesson observations and discussion with students.
- Literacy across the curriculum - Opportunities are exploited to reinforce literacy across the curriculum. Students increase in confidence to identify errors and make corrections across all lessons.

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 from outside the catchment area chose the school for the sense of calm, positive relationships and excellent behaviour. As identified in the most 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 three years our instances of referrals for poor behaviour have decreased by 63%. External exclusions are rare and there has only been one permanent exclusion in the last year. The number of exclusions is well below the national average.

Improvement and Development Plan

The Leadership team comprises of the Headteacher, Deputy Headteacher, two Assistant Headteachers and Business Manager. 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 or school development. 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 consistently 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.

b. 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.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

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 (General Annual Grant) 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 15.62 for the year 2014-15. 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, and the future increase of staff on-costs that are out of the control of the school, 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.

c. GOING CONCERN

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

Financial review

a. REVIEW

The school roll increased from 632 in October 2012 to 645 in October 2013. Most of the academy's income is obtained from the EFA (Education Funding Agency), 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 31st August 2014 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 benefited from additional grant funding as the result of a bidding process for capital projects. A programme of repairs and renewals connected with the condition and health and safety focus of the capital maintenance grant programme was completed in March 2013. It was announced, after an appeal, in July 2014 that the school had obtained grant funding and a salix loan via the Academies Capital Maintenance Fund to replace our boilers and heating infrastructure. This work will commence in October 2014. Funding received to date is reflected in the balance of the restricted fixed asset fund.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (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.

During the year ended 31 August 2014 total revenue expenditure of £3,326,129 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) was £155,754. Combined with the brought forward from 12-13 of £365,105 gives a revenue carry forward figure of £520,859 which is greater than the level of planned unrestricted reserves as detailed in the Reserves Policy. However, with the uncertainty of future funding levels, and the impact of future removal of the employers NI rebate and the increase in employer pension contributions for both teachers and support staff, this a prudent and necessary level of revenue reserves.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

The fixed asset policy was amended for this accounting period where the threshold to convert to fixed assets was raised to £5,000. £29,744 was transferred to fixed assets from revenue during 2013/14. £11,480 of this related to a restricted grant from the The Wolfson Foundation .

During the year ended 31 August 2014 the school received total capital income of £123,867 made up of £109,050, the initial instalment of the grant awarded by the academies capital maintenance fund (ACMF), and £14,817 from the devolved formula capital (DFC) allocation for 2013-14. The excess of income over expenditure for capital was £107,762

At 31st August 2014 the net book value of fixed assets was £5,526,101. 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. 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 object 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 increases in costs outside the control or influence of the academy, 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 financial risk and uncertainties facing Debenham High School have increased as the Government and EFA continue the transition to 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 for future years. Governors wish to mitigate the risk of a significant drop in funding by increasing the level of reserves. The governors and the management are acutely aware of the need to balance financial prudence with maintaining the top quality education Debenham prides itself on. The five year strategic 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.

Reserves Policy

The Governors feel it prudent to accumulate a free reserve of an absolute minimum of £250,000, currently reserves stand at just over £500,000. With the increased risks associated with the removal of the employers NI rebate and the increase in employers pension contributions in future years the level of reserves has increased to account for the predicted shortfall in grant income over expenditure in years 2 onwards in the five year budget plan.

The Governors are mindful to ensure reserves that balance future risk as described above and allow scope to support building development within the school.

The level of retention and the risk assessment which helps justify this policy will be reviewed on an annual basis in the spring term.

Investment Policy

The school aims to manage its cash balances to provide for the day to day financial management of the academy. Where surplus cash funds exist the school seeks to optimise returns but ensure no risk or loss. The

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

school maintains a credit balance with Lloyds Bank and receives a small amount of interest from the main account and the investment opportunities through the bank. £2,014 was received during the year ending 31st August 2014.

Where governors have agreed an amount to be invested the Business Manager has authorisation to transfer the sums agreed into an interest bearing deposit account with Lloyds Bank for no longer than a 6 months at a time.

c. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The school has a comprehensive Risk Management Plan which identifies the main risks to the school and the methods and strategies employed to mitigate those risks. A group of trustees 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.

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 trend for Government funding is downwards and this will impact greatly on rural high schools such as ourselves. Add to this the removal of the employers' NI rebate and the increase in employers' pension contributions for the LGPS and TPS, 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 5-year budget plan has been drawn up with predictions for future funding levels and reserves are a critical part of the plan to ensure the future sustainability of the school. The school continues to be oversubscribed which bodes well for 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 contingent 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 £543,000.

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 Actuarial 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 have increased to 17.8 % from April 2014 and will continue to increase annually reaching 19.8% from April 2016. This was determined from the LGPS triennial actuary report produced in 2013.

Plans for future periods

a. FUTURE DEVELOPMENTS

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

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

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.

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, incorporating the Strategic report, was approved by order of the Governors of the Academy, as the company directors, on _____ and signed on the board's behalf by:

Mr Richard Boulter
Member and Chair of Governors
(Until 7 October 2014)

Mr David Carruthers
Member and Chair of Governors
(From 7 October 2014)

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	3	5
*Mr David Carruthers	4	5
Rev Patrick Cotton	2	5
Mr Paul Debenham	5	5
Dr David Egan	2	5
Mr Christopher Gilgan	2	5
*Ms Siobhan Goodrich	3	5
Mr Christopher Grover	4	5
*Mrs Fiona Hotston Moore	2	5
Mrs Sheila Janson	5	5
Dr Hilary Marlow	4	5
Mr David McMillan	5	5
*Mr Brian Poole	2	5
*Mr David Ralph	2	5
*Mr Robert Stevenson	4	5
*Miss Julia Upton	5	5
Mrs Lesley Wilson	3	5
Mr David Yaroslaw	5	5

* Members of the Finance and General Purposes Committee.

An independent review of governance was commissioned by the Governing Body and carried out by the Responsible Officer Service provided by Schools' Choice, an independent arms reach company of the Local Authority. The results indicated that governance is outstanding. For 2014-15 an independent auditor has been commissioned to take on the role of internal auditor and this work will continue to look at all areas of financial control and governance using a risk based approach.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr David Carruthers	5	6
Miss Julia Upton	6	6
Mr Richard Boulter	5	6
Ms Siobhan Goodrich	3	6
Mrs Fiona Hotston Moore	5	6
Mr Brian Poole	4	6
Mr David Ralph	2	6
Mr Rob Stevenson	5	6
Mr Neil Serjeant	2	6

*Two extraordinary meetings of the finance and general purposes committee were held during the year, one to approve alterations to the Fixed Asset policy and the other to discuss and approve decisions related to auto enrolment, the change of HR/Finance and Payroll service provider and to approve the support staff pay award in line with the local authority's decision.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Debenham High School for the period 1 September 2013 to 31 August 2014 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 academy is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 in the summer 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:

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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

The Governing Body has considered the need for a specific internal audit function during this accounting period. Mr Neil Serjeant a Member and Chartered Management Accountant, is the Responsible Officer ('RO').

The RO's role is to provide the Governors with assurance regarding the existence and utilization of the Academy's financial systems. During the accounting period the school has commissioned an independent Internal audit service from Customer Service Direct (CSD)/Schools' Choice to support the RO. 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.

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

From September 2014, the Governors have appointed Miller Wash Associates as internal auditors in place of CSD. The risk management plan will drive the focus of internal audit activity and provide assurance to the Accounting Officer and Governors that internal controls are robust and appropriate.

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 work of 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 _____ and signed on its behalf, by:

Mr Richard Boulter
Member and Chair of Governors
(Until 7 October 2014)

Miss Julia Upton
Accounting Officer

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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.

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.

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

Miss Julia Upton
Accounting Officer

Date:

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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 (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 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

and signed on its behalf by:

Mr Richard Boulter
Member and Chair of Governors
(Until 7 October 2014)

Mr David Carruthers
Member and Chair of Governors
(From 7 October 2014)

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report, incorporating the Strategic 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 ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
DEBENHAM HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Debenham High School during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Debenham High School and 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 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 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 ACCOUNTANT

The accounting officer is responsible, under the requirements of Debenham High School's funding agreement with the Secretary of State for Education dated 31 December 2010, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2013 to 2014 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

APPROACH (CONTINUED)

- 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.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Larking Gowen

Ipswich

Date:

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	4,571	22,424	-	26,995	3,959
Activities for generating funds	3	292,388	-	-	292,388	288,117
Investment income	4	2,014	-	-	2,014	1,531
Incoming resources from charitable activities	5	24,000	3,166,230	123,867	3,314,097	3,316,825
TOTAL INCOMING RESOURCES		322,973	3,188,654	123,867	3,635,494	3,610,432
RESOURCES EXPENDED						
Charitable activities		157,406	3,155,693	168,150	3,481,249	3,506,761
Governance costs	9	-	8,150	-	8,150	10,057
Other resources expended	10	18,881	-	-	18,881	19,977
TOTAL RESOURCES EXPENDED	6	176,287	3,163,843	168,150	3,508,280	3,536,795
NET INCOMING RESOURCES BEFORE TRANSFERS		146,686	24,811	(44,283)	127,214	73,637

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	20	-	(29,744)	29,744	-	-
NET INCOME FOR THE YEAR		146,686	(4,933)	(14,539)	127,214	73,637
Actuarial gains and losses on defined benefit pension schemes		-	(321,000)	-	(321,000)	37,000
NET MOVEMENT IN FUNDS FOR THE YEAR		146,686	(325,933)	(14,539)	(193,786)	110,637
<i>Total funds at 1 September 2013</i>		<i>356,870</i>	<i>(199,765)</i>	<i>5,639,422</i>	<i>5,796,527</i>	<i>5,685,890</i>
TOTAL FUNDS AT 31 AUGUST 2014		503,556	(525,698)	5,624,883	5,602,741	5,796,527

All activities relate to continuing operations.

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

The notes on pages 30 to 50 form part of these financial statements.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)
07467445

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	15		5,526,101		5,655,131
CURRENT ASSETS					
Stocks	16	7,995		7,260	
Debtors	17	133,775		69,625	
Cash at bank and in hand		556,051		435,712	
			697,821	512,597	
CREDITORS: amounts falling due within one year	18	(49,385)		(127,677)	
NET CURRENT ASSETS			648,436	384,920	
TOTAL ASSETS LESS CURRENT LIABILITIES			6,174,537	6,040,051	
CREDITORS: amounts falling due after more than one year	19		(28,796)	(35,524)	
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			6,145,741	6,004,527	
Defined benefit pension scheme liability	26	(543,000)		(208,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			5,602,741	5,796,527	
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	17,302		8,235	
Restricted fixed asset funds	20	5,624,883		5,639,422	
Restricted funds excluding pension liability		5,642,185		5,647,657	
Pension reserve		(543,000)		(208,000)	
Total restricted funds			5,099,185	5,439,657	
Unrestricted funds	20		503,556	356,870	
TOTAL FUNDS			5,602,741	5,796,527	

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

and are

Mr Richard Boulter
Member and Chair of Governors
(Until 7 October 2014)

Mr David Carruthers
Member and Chair of Governors
(From 7 October 2014)

The notes on pages 30 to 50 form part of these financial statements.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	22	40,308	(19,418)
Returns on investments and servicing of finance	23	2,014	1,531
Capital expenditure and financial investment	23	84,745	(13,814)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		127,067	(31,701)
Financing	23	(6,728)	(6,728)
INCREASE/(DECREASE) IN CASH IN THE YEAR		120,339	(38,429)

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

	2014 £	2013 £
Increase/(Decrease) in cash in the year	120,339	(38,429)
Cash outflow from decrease in debt and lease financing	6,728	6,728
MOVEMENT IN NET FUNDS IN THE YEAR	127,067	(31,701)
Net funds at 1 September 2013	393,460	425,161
NET FUNDS AT 31 AUGUST 2014	520,527	393,460

The notes on pages 30 to 50 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 2014

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 to 2014 issued by 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 of 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.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

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.

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.

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.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

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

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 £5,000 (2013: £1,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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
(A company limited by guarantee)

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

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.

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.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Donations	4,571	155	4,726	3,959
Grants	-	22,269	22,269	-
	<u>4,571</u>	<u>22,424</u>	<u>26,995</u>	<u>3,959</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Other non-governmental income	-	-	-	2,750
Items sold	24,951	-	24,951	24,578
Income from services provided	32,105	-	32,105	37,682
Hire of facilities	3,957	-	3,957	4,530
Catering income	118,388	-	118,388	119,450
Academy trips	100,582	-	100,582	98,194
Insurance claims	12,405	-	12,405	933
	<u>292,388</u>	<u>-</u>	<u>292,388</u>	<u>288,117</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Investment income	2,014	-	2,014	1,531

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant	-	3,141,147	3,141,147	3,140,005
Other DfE/EFA Grants	24,000	-	24,000	11,519
DfE/EFA Capital Grants	-	123,867	123,867	110,576
Other Government Grants	-	25,083	25,083	54,725
	<u>24,000</u>	<u>3,290,097</u>	<u>3,314,097</u>	<u>3,316,825</u>

6. RESOURCES EXPENDED

	Staff costs 2014 £	Non pay premises 2014 £	Expenditure other costs 2014 £	Total 2014 £	Total 2013 £
Staff costs	2,342,631	-	-	2,342,631	2,348,789
Other costs	-	-	385,529	385,529	360,219
Support costs - staff costs	340,915	-	-	340,915	341,131
Support costs - premises	-	288,596	-	288,596	337,037
Support costs - other costs	-	-	123,578	123,578	119,585
Charitable activities	<u>2,683,546</u>	<u>288,596</u>	<u>509,107</u>	<u>3,481,249</u>	<u>3,506,761</u>
Governance	-	-	8,150	8,150	10,057
Other resources expended	-	-	18,881	18,881	19,977
	<u>2,683,546</u>	<u>288,596</u>	<u>536,138</u>	<u>3,508,280</u>	<u>3,536,795</u>

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

7. DIRECT COSTS

	Staff costs	Other costs	Total 2014	Total 2013
	£	£	£	£
Depreciation	-	51,837	51,837	46,710
Technology costs	-	37,600	37,600	45,591
Educational supplies	-	122,577	122,577	108,737
Examination fees	-	47,503	47,503	41,819
Educational consultancy	-	4,719	4,719	5,431
Other direct costs	-	108,475	108,475	94,397
Pupil recruitment and support	-	12,818	12,818	17,534
Wages and salaries	2,342,631	-	2,342,631	2,348,789
	<u>2,342,631</u>	<u>385,529</u>	<u>2,728,160</u>	<u>2,709,008</u>

8. SUPPORT COSTS

	Staff costs	Premises	Other costs	Total 2014	Total 2013
	£	£	£	£	£
Depreciation	-	116,313	-	116,313	114,761
Technology costs	-	-	10,365	10,365	5,259
Staff development and other indirect expenses	24,079	-	-	24,079	30,753
Maintenance of premises and equipment	-	79,595	-	79,595	121,354
Cleaning	-	1,881	-	1,881	2,181
Rent and rates	-	35,035	-	35,035	34,789
Utilities/energy costs	-	33,836	-	33,836	40,244
Insurance	-	21,936	-	21,936	23,707
Catering	-	-	59,791	59,791	56,625
Other support costs	-	-	53,422	53,422	57,701
Wages and salaries	302,836	-	-	302,836	293,378
LGPS pension movements (note 26)	14,000	-	-	14,000	17,000
	<u>340,915</u>	<u>288,596</u>	<u>123,578</u>	<u>753,089</u>	<u>797,752</u>

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

9. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Governance Auditors' remuneration	-	4,695	4,695	4,750
Other governance costs	-	3,455	3,455	5,307
	<u>-</u>	<u>8,150</u>	<u>8,150</u>	<u>10,057</u>

10. OTHER RESOURCES EXPENDED

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Equipment for feeder primary schools	-	-	-	300
Other expenditure	18,881	-	18,881	19,677
	<u>18,881</u>	<u>-</u>	<u>18,881</u>	<u>19,977</u>

11. NET INCOMING RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets: - owned or leased by the charity	168,151	161,472
Auditors' remuneration	2,750	2,650
Auditors' remuneration - non-audit	1,945	2,100
	<u>172,846</u>	<u>166,222</u>

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

12. STAFF

a. Staff costs

Staff costs were as follows:

	2014	2013
	£	£
Wages and salaries - see breakdown below	2,645,467	2,642,167
Other pension costs - see note 26	14,000	17,000
	<u>2,659,467</u>	<u>2,659,167</u>
Staff development expenses	12,526	14,625
Indirect employee expenses	11,553	16,129
	<u>2,683,546</u>	<u>2,689,921</u>

b. Staff numbers

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

	2014	2013
	No.	No.
Teachers	38	39
Admin & Support	31	32
Management	5	5
	<u>74</u>	<u>76</u>

c. Higher paid staff

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

	2014	2013
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	1
	<u>2</u>	<u>1</u>

There were two (2013: one) employees whose earnings exceeded £60,000. One employee's earnings fell between £60,000 and £70,000 (2013: none). Company pension contributions in respect of this employee were £8,728. One employee's earnings fell between £70,000 and £80,000 (2013: one). Company pension contributions in respect of this employee were £10,361.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

Wages and salaries breakdown

	2014	<i>2013</i>
	£	<i>£</i>
Wages and salaries	2,199,925	<i>2,199,389</i>
Social security costs	154,407	<i>156,234</i>
Pension costs	291,135	<i>286,544</i>
Total	<u>2,645,467</u>	<i><u>2,642,167</u></i>
	£	<i>£</i>
of which supply teacher costs	7,420	<i>4,383</i>

13. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 1 Governor (*2013 - 1*) in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 3 Governors (*2013 - 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:

	2014	<i>2013</i>
	£'000	<i>£'000</i>
Miss J Upton, Headteacher	85-90	<i>80-85</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 £319 (*2013: £291*) in connection with her role as Headteacher. Mrs Lesley Wilson likewise claimed £14 (*2013: £17*) during the period for travel in connection with her role as a member of support staff, as did Mr Yaroslaw who claimed £77 (*2013: Nil*) during the period for travel and only in connection with his role as a staff member. No other expenses were paid to Governors (*2013 - £NIL*).

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

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 2014 was £167 (2013 - £164).

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

15. TANGIBLE FIXED ASSETS

	Leasehold land & buildings £	Plant & machinery £	Furniture & equipment £	Computer equipment & software £	Total £
Cost					
At 1 September 2013	5,691,192	31,782	182,686	98,206	6,003,866
Additions	16,105	-	-	23,016	39,121
At 31 August 2014	<u>5,707,297</u>	<u>31,782</u>	<u>182,686</u>	<u>121,222</u>	<u>6,042,987</u>
Depreciation					
At 1 September 2013	258,607	5,564	23,245	61,319	348,735
Charge for the year	109,957	6,356	18,269	33,569	168,151
At 31 August 2014	<u>368,564</u>	<u>11,920</u>	<u>41,514</u>	<u>94,888</u>	<u>516,886</u>
Net book value					
At 31 August 2014	<u>5,338,733</u>	<u>19,862</u>	<u>141,172</u>	<u>26,334</u>	<u>5,526,101</u>
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>

The governors have authorised the acceptance of the Academies Maintenance Fund (ACMF) grant of £925,700 with a Salix loan of £164,800 to replace the boiler with a Biomass solution together with replacement of a significant amount of the heating infrastructure. The governors have also approved the appointment of two contractors, one to project manage and design the system and the other to install the whole scheme.

Although all this was authorised it was not contracted at year end.

16. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	<u>7,995</u>	<u>7,260</u>

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

17. DEBTORS

	2014	2013
	£	£
Prepayments and accrued income	36,960	50,038
Tax recoverable	96,815	19,587
	133,775	69,625

18. CREDITORS:
Amounts falling due within one year

	2014	2013
	£	£
Other loans	6,728	6,728
Trade creditors	14,739	47,426
Other creditors	10,612	4,414
Accruals and deferred income	17,306	69,109
	49,385	127,677
		£
Deferred income		
Deferred income at 1 September 2013		28,105
Resources deferred during the year		12,215
Amounts released from previous years		(28,105)
Deferred income at 31 August 2014		12,215

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

	2014	2013
	£	£
Other loans	28,796	35,524
	28,796	35,524

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 over seven years with five years still remaining. The amount to repay is broadly equivalent to the anticipated cost saving in electricity. This arrangement has the approval of the Secretary of State.

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

20. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
General funds - all funds	356,870	322,973	(176,287)	-	-	503,556
Restricted funds						
Restricted general funds						
General Annual Grant	6,980	3,141,147	(3,045,344)	(87,974)	-	14,809
Other restricted reserves	1,255	47,507	(31,499)	(14,770)	-	2,493
Pension reserve	(208,000)	-	(87,000)	73,000	(321,000)	(543,000)
	(199,765)	3,188,654	(3,163,843)	(29,744)	(321,000)	(525,698)
Restricted fixed asset funds						
DfE/EFA capital grants	697,832	123,867	(34,866)	-	-	786,833
Capital expenditure from GAG	37,194	-	(31,255)	14,974	-	20,913
Capital expenditure from other funds	4,904,396	-	(102,029)	14,770	-	4,817,137
	5,639,422	123,867	(168,150)	29,744	-	5,624,883
Total restricted funds	5,439,657	3,312,521	(3,331,993)	-	(321,000)	5,099,185
Total of funds	5,796,527	3,635,494	(3,508,280)	-	(321,000)	5,602,741

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

The General Annual Grant is used for the normal running costs of the Academy and does include Pupil premium which this year amounted to £75,246, £8,500 Year 7 Catch Up Premium and £4,800 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.

The school also received, from the Local Authority, High Needs Top up Funding of £25,083 which was expended on education support staff costs and other interventions to support those identified students.

DfE/EFA capital grants of £109,050 (Capital Maintenance Fund), £14,817 (Devolved Formula Capital Grant) totalling £123,867 have been received. The Capital Maintenance Grant has been awarded to

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

20. STATEMENT OF FUNDS (continued)

allow the school to completely replace the boilers and replace much of the heating infrastructure. The Devolved Formula Capital Grant has allowed to the school to embark on a programme of electrical distribution board replacement. £40,033 was transferred to fixed assets during the period, made up of £8,246.50 from GAG and £30,875 from other restricted funds.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2014. It should be noted that the school has been advised by the EFA these limits no longer apply since the school moved to census funding in accordance with its funding agreement.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Tangible fixed assets	-	-	5,526,102	5,526,102	5,655,131
Current assets	514,950	48,566	134,305	697,821	512,597
Creditors due within one year	(11,394)	(31,264)	(6,728)	(49,386)	(127,677)
Creditors due in more than one year	-	-	(28,796)	(28,796)	(35,524)
Provisions for liabilities and charges	-	(543,000)	-	(543,000)	(208,000)
	<u>503,556</u>	<u>(525,698)</u>	<u>5,624,883</u>	<u>5,602,741</u>	<u>5,796,527</u>

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	127,214	73,637
Returns on investments and servicing of finance	(2,014)	(1,531)
Depreciation of tangible fixed assets	168,151	161,472
Capital grants from DfE	(123,867)	(110,576)
Increase in stocks	(735)	(780)
(Increase)/decrease in debtors	(64,150)	101,321
Decrease in creditors	(78,291)	(259,961)
LGPS movements (note 26)	14,000	17,000
	40,308	(19,418)
Net cash inflow/(outflow) from operations	40,308	(19,418)

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	2,014	1,531
	2,014	1,531
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(39,122)	(124,390)
Capital grants from DfE	123,867	110,576
	84,745	(13,814)
Net cash inflow/(outflow) capital expenditure	84,745	(13,814)
Financing		
Repayment of loans	(6,728)	(6,728)
	(6,728)	(6,728)

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	435,712	120,339	-	556,051
Debt:				
Debts due within one year	(6,728)	6,728	(6,728)	(6,728)
Debts falling due after more than one year	(35,524)	-	6,728	(28,796)
Net funds	393,460	127,067	-	520,527

25. CONTINGENT ASSET

During the previous 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 £51,000 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) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

26. PENSION COMMITMENTS (continued)

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

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

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

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

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

26. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £98,000, of which employer's contributions totalled £73,000 and employees' contributions totalled £25,000. The agreed contribution rate for 01/09/2013 - 31/03/2014 was 16.8%, from 01/04/2014 - 31/03/2015 17.8%, from 01/04/2015 - 31/03/2016 18.8% and then 19.8% from 01/04/2016 for employers and a variable% for employees dependent on the 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.

The amounts recognised in the balance sheet are as follows:

	2014	2013
	£	£
Present value of defined benefit obligations	(1,535,000)	<i>(1,052,000)</i>
Fair value of scheme assets	992,000	<i>844,000</i>
Net liability	<u>(543,000)</u>	<i><u>(208,000)</u></i>

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

26. PENSION COMMITMENTS (continued)

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

	2014	2013
	£	£
Current service cost	(89,000)	<i>(84,000)</i>

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

	2014	2013
	£	£
Opening defined benefit obligation	1,052,000	<i>881,000</i>
Contributions by scheme participants	25,000	<i>25,000</i>
Actuarial losses	333,000	<i>24,000</i>
Interest cost	51,000	<i>38,000</i>
Benefits paid	(15,000)	<i>-</i>
Current service cost	89,000	<i>84,000</i>
Closing defined benefit obligation	1,535,000	<i>1,052,000</i>

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

	2014	2013
	£	£
Opening fair value of scheme assets	844,000	<i>653,000</i>
Actuarial gains and (losses)	12,000	<i>61,000</i>
Contributions by employer	73,000	<i>73,000</i>
Contributions by employees	25,000	<i>25,000</i>
Expected return on assets	53,000	<i>32,000</i>
Benefits paid	(15,000)	<i>-</i>
	992,000	<i>844,000</i>

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 £346,000 loss (2013 - £25,000 loss).

The academy expects to contribute £82,000 to its defined benefit pension scheme in 2015.

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

	2014	2013
Equities	6.40 %	<i>6.70 %</i>
Bonds	3.40 %	<i>4.10 %</i>
Property	4.50 %	<i>4.70 %</i>
Cash	3.30 %	<i>3.60 %</i>

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

26. PENSION COMMITMENTS (continued)

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

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

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

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

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

Defined benefit pension schemes

	2014	2013	2012	2011
	£	£	£	£
Defined benefit obligation	(1,535,000)	(1,052,000)	(881,000)	(668,000)
Scheme assets	992,000	844,000	653,000	523,000
Deficit	(543,000)	(208,000)	(228,000)	(145,000)
Experience adjustments on scheme liabilities	(333,000)	(24,000)	(81,000)	59,000
Experience adjustments on scheme assets	12,000	61,000	(1,000)	(39,000)

DEBENHAM HIGH SCHOOL
(A company limited by guarantee)

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

27. OPERATING LEASE COMMITMENTS

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

	2014 £	2013 £
Expiry date:		
Within 1 year	3,695	234
Between 2 and 5 years	351	4,429
Total	<u>4,046</u>	<u>4,663</u>

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.

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