

**Report of the Trustees and  
Financial Statements for the Year Ended 31 August 2015  
for  
Route 39 Academy Trust Limited**

Haines Watts Exeter LLP, Statutory Auditors  
3 Southernhay West  
Exeter  
Devon  
EX1 1JG

**Route 39 Academy Trust Limited**  
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**for the Year Ended 31 August 2015**

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**Route 39 Academy Trust Limited**

**Reference and Administrative Details  
for the Year Ended 31 August 2015**

<b>MEMBERS</b>	Ms A E Ward Ms S Z Poklewski Koziell R L Bence
<b>TRUSTEES</b>	R L Bence (Chair of Trustees) * S J Grimshaw G P Grimshaw * S Z Poklewski Koziell * A E Ward* J Hayes (Principal and Accounting Officer resigned 31.10.15) C Woodroffe R Cooke J Ward J Arkless T Lewis
* members of the finance and premises committee	
<b>SENIOR MANAGEMENT TEAM</b>	J Hayes (resigned 31.10.15) M Carter
<b>ACCOUNTING OFFICER</b>	J Glossop (resigned 31.10.15) J Kelly (appointed 31.10.15)
<b>REGISTERED OFFICE</b>	Darracott Farm Welcombe Bideford Devon EX39 6HG
<b>PRINCIPAL ADDRESS</b>	Higher Clovelly Bideford Devon EX39 5SU
<b>REGISTERED COMPANY NUMBER</b>	7945060 (England and Wales)
<b>INDEPENDENT AUDITORS</b>	Haines Watts Exeter LLP, Statutory Auditors 3 Southernhay West Exeter Devon EX1 1JG

**Route 39 Academy Trust Limited**  
**Reference and Administrative Details**  
**for the Year Ended 31 August 2015**

**SOLICITORS**

Michelmores LLP  
Woodwater House  
Pynes Hill  
Exeter  
Devon  
EX2 5WR

**BANKERS**

HSBC PLC  
Alexandra House  
The Quay  
Bideford  
Devon  
EX39 2AF

## **Route 39 Academy Trust Limited**

### **Report of the Trustees for the Year Ended 31 August 2015**

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The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015.

Route 39 Academy Trust Limited (a Company Limited by Guarantee) is referred to as the Academy throughout this document.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

Route 39 Academy Trust Limited is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy trust. The trustees of Route 39 Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Route 39 Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details on pages 1 and 2.

##### **Members' liability**

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

##### **Trustees' indemnities**

The Academy has indemnity insurance for the Governors' and Officers' liabilities via Zurich Insurance. The limit of the indemnity is £250,000.

##### **Principal activities**

Route 39 Academy Trust is an independent trust set up to provide children in north-west Devon and north Cornwall with the very best, forward-focussed education regardless of background or ability.

##### **Recruitment and appointment of new trustees**

As specified in the trust's articles of association, up to ten Trustees may be appointed by members. New trustees are appointed by a majority vote of the members. Potential trustees' candidatures will be assessed with regard to the needs of the trust and the particular skills and experience that the candidate can offer.

##### **Induction and training of new trustees**

New trustees are provided with an induction pack that details the vision and ethos of the Academy. It also details an introduction to governance at Route 39 Academy, the code of practice, skills audit and contact information. All new trustees are 'buddied-up' with an existing experienced trustee who supports them and is available to answer questions. A skills audit is taken of new trustees and training organised by the clerk to governors. Trustees have training in the Academy electronic document system and have access to all information and evidence they need to support their governor role. Additional information is provided through 'The Key' and training is available through the Babcock LDP GEL online system.

##### **Organisational structure**

The trust has established a scheme of delegation that delineate the roles and responsibilities of the Board of Trustees and the Principal.

##### **Related parties**

For details of related party transactions see the related party note to the accounts.

##### **Risk management**

The board continues to keep the Academy's activities under review, particularly with regard to any major risks that may arise from time to time. It monitors the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified can best be mitigated. The major risks to which the trust is exposed, as identified by the trustees, have been reviewed, and systems or procedures have been established to manage those risks.

## **Route 39 Academy Trust Limited**

### **Report of the Trustees for the Year Ended 31 August 2015**

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#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives, strategies and activities**

The trust's aims are to advance for the public benefit education in the United Kingdom by establishing, maintaining, managing and developing Route 39 Academy to provide very best, forward-focussed education.

The trust's objectives are to develop Route 39 Academy to ensure it provides the very best, forward-focussed education regardless of background or ability; to ensure the trust remains in financial surplus; to maintain budgetary discipline; to market the school to ensure maximum subscription.

##### **Public benefit**

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

In setting the objectives and planning activities of the trust, the trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard for the Charity Commission's general guidance on public benefit

#### **STRATEGIC REPORT**

##### **ACHIEVEMENT AND PERFORMANCE**

##### **Achievement and performance**

The trustees are satisfied that these objectives have been attained with a budgetary surplus at the end of this financial year; the Principal has been appointed to lead the Academy and implement the education required; the Academy continues to market itself and is attracting increasing numbers of students.

##### **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.

##### **Key financial performance indicators**

Key financial performance indicators include:

- Balance of incoming and outgoing resources
- Year-to-date spend against budget
- Distribution of spend against defined budget categories
- Monthly financial reports

**Report of the Trustees  
for the Year Ended 31 August 2015**

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**FINANCIAL REVIEW**

**Financial review**

The trustees take a conservative approach to the financial management of the trust and consequently the trust had a financial surplus after discharging its objects and aims as outlined above. This is in line with Charity Commission guidance and in line with the trustees' desire that funds be spent for the intended purpose.

**Principle sources of funding**

The trust's principal source of funds is the Department for Education under the terms of the Trust's funding agreements.

**Restricted funds**

In the year, the Academy has received General Annual Grant (GAG) income totalling £713,737 (2014 - £342,626). The Academy spent £687,552 (2014 - £323,569) of this on GAG activities. £nil (2014 - £4,646) was used to support capital purchases to improve the learning environment.

The Academy carries forward a GAG surplus of £67,368 (2014 - £9,989) into the next accounting period (excluding FRS17 calculation).

Other restricted activities have a total of £15,573 to carry forward to the next accounting period.

**Unrestricted funds**

The Academy generated £42,849 (2014 - £39,747) of its own income which mainly relates to contributions towards transport to school. During the period unrestricted funds totalling £28,746 were used towards educational purposes.

The Academy carries forward £nil (2014 - £6,022) from the unrestricted funds into the next accounting period.

**Reserves policy**

The trustees have examined the trust's requirements for reserves in light of the main risks to the organisation. The trustees have sought to build reserves from the pre-opening phase of the Academy to be used for the benefit of students learning once open.

**Investment policy and objectives**

The trust has no investments at present

**FUTURE DEVELOPMENTS**

The trustees principle plan is to ensure best learning is provided for students. To support this, the trustees plan to continue the development of the temporary accommodation to support a third year. The trustees also plan to progress development and implementation of the permanent site at Steart Farm which will support the aim of building the school to its capacity of 700 students.

**FUNDS HELD AS CUSTODIAN FOR OTHERS**

The trustees hold no funds on behalf of others.

**FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

The financial and risk management objective of the Trust is to ensure effective financial management at the Academy, such that the Academy delivers its objectives within its budget. To this end, the trust ensures the schools comply with its Financial Regulations and Scheme of Delegation policy, as well as the regulations in the Academies' Financial Handbook.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Principal risks and actions to mitigate these risks include:

1. Lack of demand for places leading to the schools operating at less than 100% capacity  
- Mitigation: the Academy runs an effective marketing and community outreach operation throughout the year.

2. Uncertainty around running costs

- Mitigation: the Trustees and the senior leadership team of the Academy maintain a rigorous and effective set of financial procedures to support their overall financial and risk management objectives. In addition, contingencies are in place in the Academy's budgets that minimise the impact of unforeseen costs during the year.

**Route 39 Academy Trust Limited**

**Report of the Trustees  
for the Year Ended 31 August 2015**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

3. Potential delay to the Academy's move from its temporary site at Clovelly School and Parish Hall and also permanent site at Steart Farm.

- Mitigation: the project plan for the Steart Farm move is monitored on an ongoing basis by the named site trustees and principal on a bi-weekly basis and reviewed by all trustees on a monthly basis. Contingency plans to ensure that the education provided to our pupils will not be disrupted are being developed.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy's auditors are aware of that information.

**AUDITORS**

The auditors, Haines Watts Exeter LLP, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 17/12/15 and signed on its behalf by:



.....  
R L Bence - Chair



## Route 39 Academy Trust Limited

### Governance Statement for the Year Ended 31 August 2015

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#### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Route 39 Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees delegated the day-to-day responsibility to the Principal, Jocelyn Hayes, 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 Route 39 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control

#### Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Richard Bence (chair)	7	7
Gus Grimshaw (vice chair)	6	7
Jocelyn Hayes (principal)	6	7
John Arkless	3	6
Rowland Cooke	5	5
Sara Grimshaw	6	7
Thomas Lewis	2	2
Sophie Poklewski Koziell	7	7
Anna Ward	7	7
Jeremy Ward	5	7
Christina Woodroffe	5	7

The finance and personnel committee is a sub-committee of the main board of trustees. Its purpose is to:

#### *In relation to Finance:*

- In consultation with the Principal and Business Manager, to draft the first formal budget plan of the financial year based on the priorities identified in School Improvement Plan.
- To establish and maintain an up to date 3 year financial plan based on the priorities identified in School Improvement Plan.
- To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body.
- To ensure that the school operates within the Financial Regulations of the Department for Education and requirements of the Academies Financial Handbook.
- To monitor expenditure of all voluntary funds kept on behalf of the Governing Body.
- To annually review charges and remissions policies and expenses policies.
- To make decisions in respect of service agreements.
- To make decisions on expenditure following recommendations from other committees.
- To ensure, as far as is practical, that Health and Safety issues are appropriately prioritised.
- To determine whether sufficient funds are available for pay increments as recommended by the Principal.
- In the light of the Principal Performance Management group's recommendations, to determine whether sufficient funds are available for increments.
- Additional items which individual Governing Bodies may wish to include.

**Route 39 Academy Trust Limited**  
**Governance Statement**  
**for the Year Ended 31 August 2015**

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*In relation to Academy Audit obligations:*

- To review risks to internal financial control at the school in accordance with the Department for Education Academies Handbook.
- To agree a programme of work that will address these risks.
- To inform the statement of internal control.
- To provide assurance to the external auditors.

*In relation to Personnel:*

- To draft and keep under review the staffing structure in consultation with the Principal and the Finance Committee.
- To establish a Salary Policy for all categories of staff and to be responsible for its administration and review.
- To oversee the appointment procedure for all staff.
- To establish and review a Performance Management policy for all staff.
- To oversee the process leading to staff reductions.
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence.
- To make recommendations on personnel related expenditure to the Finance Committee.
- To consider any appeal against a decision on pay grading or pay awards.
- Additional items which individual Governing Bodies may wish to include.

*In relation to the Principal's Performance Review:*

- To arrange to meet with the External Adviser to discuss the Principal's performance targets.
- To decide, with the support of the External Adviser, whether the targets have been met and to set new targets annually.
- To monitor through the year the performance of the Principal against the targets.
- To make recommendations to the Finance Committee in respect of awards for the successful meeting of targets set.
- Additional items which individual Governing Bodies may wish to include.

Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Richard Bence	6	7
Gus Grimshaw (Chair)	7	7
Jocelyn Hayes (principal)	6	7
Sophie Poklewski Koziell (Vice Chair)	6	7
Anna Ward	3	3

Claire Gover (Business Manager) was also a member of the board although is not a trustee.

**Review of Value for Money**

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

**Route 39 Academy Trust Limited**  
**Governance Statement**  
**for the Year Ended 31 August 2015**

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- **Targeted development:** TLO training and Coaching training supported the development of the new curriculum approach. Specialist subject support was bought in for NQT colleagues in order to provide subject specific mentoring. A training residential ensured that staff and new staff were able to work on curriculum planning and development in readiness for the second year. School to school support offered to all departments as well as LT and SENDCo.
- **Staffing:** The Academy staffed to ensure that a range of GCSE subjects could be offered, in accordance with Government expectations.
- **Focus on individual pupils:** The Academy bought in Specialist Literacy Support, Specialist THRIVE intervention and dedicated off site provision. This enabled students with additional needs to access specialist support. Employment of a literacy specialist Learning Coach was added to the Academy workforce.
- **Collaboration:** South Dartmoor Community College provided support and moderation for members of staff- this was important due to the small size of the school. This year this has included departmental, leadership and SEN support
- **Initiatives:** Continued investment in Scary Guy training - this led to improved behaviour and a reduction in exclusions. In addition it provided training and support sessions for parents and the community as well as targeted intervention for more vulnerable students.
- **Quantifying improvements:** 100% of parents state that their child is happy at Route 39 and 92% of parents state that Route 39 Academy has had a positive impact on their child's wellbeing- none disagreed and 73% strongly agreed (survey July 2014) Behaviour over the period improved with a reduction in exclusions. Attainment over the period is broadly in line with national averages and improved throughout last academic year. Systems to validate the data were checked and externally agreed as fit for purpose.

**Financial governance and oversight- Reviewing controls and Managing Risks:**

- The Academy Finance and Personnel Committee review expenditure within each budget heading and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified.
- The Full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a going concern. The Governing Body also receives and approves the Annual Accounts and External Auditors report.
- During the year the Business Manager started to use the new Financial Management System which will further improve this further in the coming year. The appointment of an internal auditor is currently in negotiation.
- A clear and rigorous Finance Policy is in place. There are clear delegated authority levels. Contracts and agreements are awarded in line with the Academy Finance Policy which requires three written quotations for tenders estimated to be above £2,500.

**Better purchasing:**

- **Fitness for purpose:** In the coming year we will be reviewing the catering provision that is currently provided to the academy. Telecommunications packages will also be reviewed and reduced.

**Lessons Learned:**

- Refresher training is needed for the Business Manager in accounting principles to aid smooth compiling of the required audit documentation.
- The purchase of the FSM has enabled reporting to the Principal, Governors and Finance and Personnel more streamlined, and this will be developed over the coming year

## **Route 39 Academy Trust Limited**

### **Governance Statement for the Year Ended 31 August 2015**

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#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Route 39 Academy Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The Risk and Control Framework**

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

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

The board of trustees considered the need for a specific internal audit function for this year and decided not to appoint an internal auditor. However the trustees did appoint Mr Richard Bence a trustee, to carry out a programme of internal checks as a reviewer.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in this period included:

- testing of payroll systems
- testing of purchase systems
- testing of bank reconciliations

On a two monthly basis, the reviewer reports to the board of trustees, through the finance and personnel committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities

**Route 39 Academy Trust Limited**  
**Governance Statement**  
**for the Year Ended 31 August 2015**

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**Review of Effectiveness**

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on .....17/12/15..... and signed on its behalf by:



.....  
R L Bence - Chair



.....  
J Kelly - Accounting Officer

**Route 39 Academy Trust Limited**

**Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2015**

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As accounting officer of Route 39 Academy Trust Limited I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

  
.....  
J Kelly - Accounting Officer

Date: 17/12/15.....

## Route 39 Academy Trust Limited

### Statement of Trustees Responsibilities for the Year Ended 31 August 2015

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The trustees (who act as governors of Route 39 Academy Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2005;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy Trust'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 board of trustees on 17/12/15 and signed on it's behalf by:



.....  
R L Bence - Chair

## **Report of the Independent Auditors to the Members of Route 39 Academy Trust Limited**

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We have audited the financial statements of Steiner Academy Exeter for the year ended 31 August 2015 on pages seventeen to thirty seven. 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 Accounts Direction 2014 to 2015 issued by the Education Funding Agency (EFA).

This report is made solely to the Charitable Company'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 Charitable Company'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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

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

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

### **Opinion on other matter prescribed by the Companies Act 2006**

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



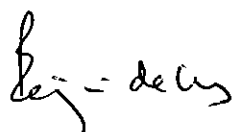
**Report of the Independent Auditors to the Members of  
Route 39 Academy Trust Limited**

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**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



**Benjamin de Cruz BA, FCA (Senior Statutory Auditor)**  
for and on behalf of Haines Watts Exeter LLP, Statutory Auditors  
3 Southernhay West  
Exeter  
Devon  
EX1 1JG

Date: 22/12/15

## **Independent Reporting Accountant's Assurance Report on Regularity to Route 39 Academy Trust Limited and the Education Funding Agency**

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In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Route 39 Academy Trust Limited during the period 1 September 2014 to 31 August 2015 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 Route 39 Academy Trust Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Route 39 Academy Trust Limited and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Route 39 Academy Trust Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Route 39 Academy Trust Limited's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Route 39 Academy Trust Limited's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions include:

We have confirmed that the activities conform to the Academy Trust's framework of authorities, as identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.

- We have carried out an analytical review as part of the consideration of whether general activities of the Academy Trust are within the Academy Trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the Academy Trust and extended the procedures required for financial statements to include regularity.
- We have performed sample testing of expenditure, we have considered whether the activity is permissible within the Academy Trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the Academy Trust's delegated authorities and that the internal delegations have been approved by the board of Trustees, and conform to the limits set by the Department for Education.

**Independent Reporting Accountant's Assurance Report on Regularity to  
Route 39 Academy Trust Limited and the Education Funding Agency**

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- Formal representations have been obtained from the board of Trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the Academy Trust's charitable objects.

**Conclusion**

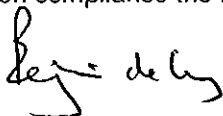
In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The Academies Handbook 2014 requires an Academy to manage a programme of risk and checking of financial controls appropriate to the Academy's circumstances. Furthermore, the Academies Handbook 2014 requires an Academy to reconcile bank and control accounts regularly.

From our work the Academy did not carry out adequate checks and bank and control accounts were not reconciled.

As a result of these issues of non compliance the risk of irregularity is high.

**Benjamin de Cruz BA FCA**  
**(Reporting Accountant)**  
3 Southernhay West  
Exeter  
Devon  
EX1 1JG



Date: 22/12/15

Route 39 Academy Trust Limited

Statement of Financial Activities  
for the Year Ended 31 August 2015

		Unrestricted fund £	Restricted funds £	Fixed asset fund £	Total 2015 funds £	Total 2014 funds £
Notes						
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Activities for generating funds	3	42,849	40,894	-	83,743	39,747
<b>Incoming resources from charitable activities</b>						
Academy's educational operations	4	-	941,399	496,933	1,438,332	1,479,050
<b>Total incoming resources</b>		<b>42,849</b>	<b>982,293</b>	<b>496,933</b>	<b>1,522,075</b>	<b>1,518,797</b>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Cost of activities for generating funds	6	20,125	25,896	-	46,021	54,256
<b>Charitable activities</b>						
Academy's educational operations	7	-	884,225	665,616	1,549,841	1,245,257
Governance costs	8	-	16,356	-	16,356	11,147
<b>Total resources expended</b>	<b>5</b>	<b>20,125</b>	<b>926,477</b>	<b>665,616</b>	<b>1,612,218</b>	<b>1,310,660</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>						
		22,724	55,816	(168,683)	(90,143)	208,137
Gross transfers between funds	17	(28,746)	26,671	2,075	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>		<b>(6,022)</b>	<b>82,487</b>	<b>(166,608)</b>	<b>(90,143)</b>	<b>208,137</b>
<b>Other recognised gains/losses</b>						
Opening defined benefit pension scheme liability		-	(1,490)	-	(1,490)	-
Actuarial gains/losses on defined benefit schemes		-	(1,019)	-	(1,019)	-
<b>Net movement in funds</b>		<b>(6,022)</b>	<b>79,978</b>	<b>(166,608)</b>	<b>(92,652)</b>	<b>208,137</b>

The notes form part of these financial statements

**Route 39 Academy Trust Limited**

**Statement of Financial Activities - continued  
for the Year Ended 31 August 2015**

	Notes	Unrestricted fund £	Restricted funds £	Fixed asset fund £	Total 2015 funds £	Total 2014 funds £
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		6,022	(3,917)	363,629	365,734	157,596
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>          </u>	<u>76,061</u>	<u>197,021</u>	<u>273,082</u>	<u>365,733</u>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

# Route 39 Academy Trust Limited

## Balance Sheet At 31 August 2015

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	12	183,533	363,629
<b>CURRENT ASSETS</b>			
Debtors	13	109,698	199,050
Cash at bank		<u>496,064</u>	<u>295,345</u>
		605,762	494,395
<b>CREDITORS</b>			
Amounts falling due within one year	14	(509,334)	(492,291)
<b>NET CURRENT ASSETS</b>		<u>96,428</u>	<u>2,104</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		279,961	365,733
<b>PENSION LIABILITY</b>	18	(6,879)	-
<b>NET ASSETS</b>		<u>273,082</u>	<u>365,733</u>
<b>FUNDS</b>	17		
Unrestricted funds:			
General fund		-	6,022
Restricted funds:			
Restricted fund		82,940	(3,918)
Fixed asset fund		197,021	363,629
LGPS pension fund		<u>(6,879)</u>	<u>-</u>
		<u>273,082</u>	<u>359,711</u>
<b>TOTAL FUNDS</b>		<u>273,082</u>	<u>365,733</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 17/12/15 and were signed on its behalf by:



R L Bence - Chair

The notes form part of these financial statements

**Route 39 Academy Trust Limited**

**Cash Flow Statement  
for the Year Ended 31 August 2015**

		2015 £	2014 £
<b>Net cash outflow from operating activities</b>	Notes 1	(273,510)	(321,168)
<b>Capital expenditure and financial investment</b>	2	474,229	509,219
		<u>200,719</u>	<u>188,051</u>
<b>Increase in cash in the period</b>		<u>200,719</u>	<u>188,051</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Increase in cash in the period		<u>200,719</u>	<u>188,051</u>
Change in net debt resulting from cash flows		<u>200,719</u>	<u>188,051</u>
<b>Movement in net debt in the period</b>		200,719	188,051
<b>Net debt at 1 September</b>		<u>295,345</u>	<u>107,294</u>
<b>Net debt at 31 August</b>		<u>496,064</u>	<u>295,345</u>

The notes form part of these financial statements

Route 39 Academy Trust Limited

Notes to the Cash Flow Statement  
for the Year Ended 31 August 2015

1. RECONCILIATION OF NET (OUTGOING)\INCOMING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net (outgoing)\incoming resources	(90,143)	208,138
Depreciation charges	202,800	92,305
Capital grants from DfE/EFA	(496,933)	(917,713)
Decrease/(increase) in debtors	89,352	(121,200)
Increase in creditors	17,043	417,302
Difference between pension charge and cash contributions	<u>4,371</u>	<u>-</u>
<b>Net cash outflow from operating activities</b>	<b><u>(273,510)</u></b>	<b><u>(321,168)</u></b>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(22,704)	(408,494)
Capital grants from DfE/EFA	<u>496,933</u>	<u>917,713</u>
<b>Net cash inflow for capital expenditure and financial investment</b>	<b><u>474,229</u></b>	<b><u>509,219</u></b>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.14 £	Cash flow £	At 31.8.15 £
Net cash:			
Cash at bank	295,345	200,719	496,064
	<u>295,345</u>	<u>200,719</u>	<u>496,064</u>
<b>Total</b>	<b><u>295,345</u></b>	<b><u>200,719</u></b>	<b><u>496,064</u></b>



## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principle accounting policies, which have been applied consistently, except where noted, is set out below.

### **Going concern**

The governors assess whether the use of the going concern basis is appropriate i.e. whether there are any material uncertainties related to the events or conditions that may cast significant doubt on the ability of the company 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.

Due to the current situation of the Academy and the issues it is currently facing, it is difficult for the governors to be completely satisfied regarding going concern. However, after careful consideration based on the budget for 2015/16, the governors believe that the going concern basis is appropriate.

### **Incoming resources**

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

### **Grants receivable**

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

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.

### **Donations**

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

### **Other income**

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

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015

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1. ACCOUNTING POLICIES - continued

**Resources expended**

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

**Cost of generating funds**

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

**Charitable activities**

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

**Governance costs**

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

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment and software	- 33% straight line
Short leasehold improvements	- 50% straight line
Fixtures and fittings	- 25% straight line

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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.

**Leased assets**

Rentals under operating leases are charged to the Statement of Financial Activities as incurred.

**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.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015

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**1. ACCOUNTING POLICIES - continued**

**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 Education Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

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

**Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension costs 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 17, the TPS is a multi-employer scheme and the Academy Trust 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**2. GENERAL ANNUAL GRANT**

Under the funding agreement with the Secretary of State the Academy Trust was not subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next.

During the year the EFA undertook a pupil number adjustment exercise in relation to GAG funding for the 2014/15 academic year. The adjustment total is £312,657 and will be made against 2015/16 GAG funding.

**Route 39 Academy Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015**

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Educational trips	28,408	-	28,408	-
Catering income	-	12,240	12,240	10,761
Contributions towards transport	-	24,894	24,894	18,534
Other services	<u>14,441</u>	<u>3,760</u>	<u>18,201</u>	<u>10,452</u>
	<u>42,849</u>	<u>40,894</u>	<u>83,743</u>	<u>39,747</u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	-	713,737	713,737	342,626
Other DfE/EFA grants	-	31,837	31,837	68,025
General Annual Grant Start Up	<u>-</u>	<u>173,000</u>	<u>173,000</u>	<u>145,720</u>
	-	918,574	918,574	556,371
<b>DfE/EFA capital grant</b>				
Capital grant	-	496,933	496,933	917,713
<b>Other government grant</b>				
Special Education Needs (SEN)	-	22,825	22,825	4,628
Other income from LA	<u>-</u>	<u>-</u>	<u>-</u>	<u>338</u>
	-	<u>22,825</u>	<u>22,825</u>	<u>4,966</u>
	<u>-</u>	<u>1,438,332</u>	<u>1,438,332</u>	<u>1,479,050</u>

Route 39 Academy Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015

5. RESOURCES EXPENDED

				2015	2014
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other costs	£	£
		£	£		
<b>Costs of generating funds</b>					
Costs of activities for generating funds	-	-	46,021	46,021	54,256
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	439,698	-	182,072	621,770	1,045,863
Allocated support costs	<u>96,040</u>	<u>639,267</u>	<u>169,414</u>	<u>904,721</u>	<u>163,015</u>
	535,738	639,267	397,507	1,572,512	1,263,134
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>16,355</u>	<u>16,355</u>	<u>11,147</u>
	<u>535,738</u>	<u>639,267</u>	<u>413,862</u>	<u>1,588,867</u>	<u>1,274,281</u>

Net resources are stated after charging/(crediting):

	2015	2014
	£	£
Auditors' remuneration	5,000	5,000
Severance payments	18,000	-
Operating lease rentals	102,292	81,766
Depreciation - owned assets	<u>202,800</u>	<u>92,305</u>

6. COSTS OF ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds	Restricted funds	2015 Total funds	2014 Total funds
	£	£	£	£
Catering	-	24,741	24,741	35,196
Teaching equipment	-	-	-	526
Transport	-	-	-	18,534
Cost of educational trips	20,125	-	20,125	-
Chromebook repair	<u>-</u>	<u>1,155</u>	<u>1,155</u>	<u>-</u>
	<u>20,125</u>	<u>25,896</u>	<u>46,021</u>	<u>54,256</u>

**Route 39 Academy Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015**

**7. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
<b>Direct costs</b>				
Teaching and educational support staff	-	439,698	439,698	259,175
Depreciation	-	-	-	92,305
Educational supplies	-	68,258	68,258	34,388
Staff development	-	22,863	22,863	26,431
Educational consultancy	-	9,528	9,528	36,137
Travel and subsistence	-	81,423	81,423	49,338
Other direct costs	-	-	-	548,089
	-	621,770	621,770	1,045,863
<b>Allocated support costs</b>				
Support staff costs	-	96,040	96,040	35,232
Depreciation	-	202,800	202,800	-
Technology costs	-	46,510	46,510	21,532
Recruitment and support	-	48,203	48,203	18,469
Maintenance of premises and equipment	-	472,081	472,081	5,532
Cleaning	-	4,284	4,284	11,757
Rent and rates	-	4,774	4,774	60,098
Energy costs	-	7,303	7,303	7,102
Insurance	-	4,756	4,756	3,293
Other support costs	-	17,970	17,970	-
	-	904,721	904,721	163,015
	-	<u>1,526,491</u>	<u>1,526,491</u>	<u>1,208,878</u>

**8. GOVERNANCE COSTS**

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Trustees' expenses	-	-	-	3,397
Auditor's remuneration	-	5,000	5,000	5,000
Other assurance work	-	1,500	1,500	1,500
Accountancy	-	5,145	5,145	1,250
Governor training	-	1,335	1,335	-
Governance legal and professional	-	757	757	-
Governor services	-	2,618	2,618	-
	-	<u>16,355</u>	<u>16,355</u>	<u>11,147</u>

# Route 39 Academy Trust Limited

## Notes to the Financial Statements - continued for the Year Ended 31 August 2015

### 9. TRUSTEES' REMUNERATION AND BENEFITS

Headteacher and staff trustees only received remuneration in respect of services they provide undertaking the roles of headteacher and staff and not in respect of their services as trustees.

The Headteacher and staff Governors only received remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors.

The value of Governors' remuneration, including pension contributions, was as follows:

J Glossop (Headteacher):	Remuneration	£70,000 - £75,000
	Employer's pension contributions	£10,000 - £15,000

Other trustees did not receive any payments from the Academy in respect of their role as trustees.

#### Trustees' expenses

During the year ended 31 August 2014 expenses of £7,402 (2014 - £3,397) were reimbursed to trustees.

### 10. STAFF COSTS

	2015 £	2014 £
Wages and salaries	437,050	241,528
Social security costs	32,584	20,011
Pension costs	48,104	32,868
	<u>517,738</u>	<u>294,407</u>
Compensation payments	18,000	-
	<u>535,738</u>	<u>294,407</u>

Included in staff costs was one non-statutory/non-contractual severance payments totalling £18,000 (2014 - £nil).

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

	2015 No.	2015 Full time equivalent	2014 No.	2014 Full time equivalent
<b>Charitable activities</b>				
Teachers	9	9	5	5.2
Administration and support	4	3	1	1
Management	3	3	2	0.5
	<u>16</u>	<u>15</u>	<u>8</u>	<u>6.7</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015

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10. STAFF COSTS (continued)

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

	2015	2014
£80,001 - £90,000	<u>1</u>	<u>1</u>

One of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £10,464 (2014 - £9,746).

11. TRUSTEES' 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 insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,089 (2014 - £395).

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



Route 39 Academy Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015

12. TANGIBLE FIXED ASSETS

	Short leasehold improvement £	Fixtures and fittings £	Computer equipment and software £	Totals £
<b>COST</b>				
At 1 September 2014	301,009	34,041	122,075	457,125
Additions	<u>1,100</u>	<u>2,424</u>	<u>19,180</u>	<u>22,704</u>
At 31 August 2015	<u>302,109</u>	<u>36,465</u>	<u>141,255</u>	<u>479,829</u>
<b>DEPRECIATION</b>				
At 1 September 2014	50,133	7,849	35,514	93,496
Charge for year	<u>150,825</u>	<u>8,935</u>	<u>43,040</u>	<u>202,800</u>
At 31 August 2015	<u>200,958</u>	<u>16,784</u>	<u>78,554</u>	<u>296,296</u>
<b>NET BOOK VALUE</b>				
At 31 August 2015	<u>101,151</u>	<u>19,681</u>	<u>62,701</u>	<u>183,533</u>
At 31 August 2014	<u>250,876</u>	<u>26,192</u>	<u>86,561</u>	<u>363,629</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Other debtors	28,967	7,529
VAT recoverable	50,087	162,282
Prepayments	<u>30,644</u>	<u>29,239</u>
	<u>109,698</u>	<u>199,050</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	16,275	197,205
Social security and other taxes	10,994	9,722
Other creditors	79,783	189,348
EFA clawback	312,657	-
Pension creditor	8,640	11,326
Accruals and deferred income	<u>80,985</u>	<u>84,690</u>
	<u>509,334</u>	<u>492,291</u>

**Route 39 Academy Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)**

**Deferred income**

**Movement on deferred income**

	2015 £	2014 £
Balance as at 1 September 2014	75,780	
Resources deferred in the year	15,092	75,780
Released to the SOFA in the year	<u>(75,780)</u>	
Balance as at 31 August 2015	<u>15,092</u>	<u>75,780</u>

Deferred income relates to funding from the Government that relates to next year as well as activities that are to occur in the next academic year.

**15. MEMBERS' LIABILITY**

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

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted fund £	Restricted funds £	Fixed asset fund £	Total 2015 funds £	Total 2014 funds £
Fixed assets	-	-	183,533	183,533	363,629
Current assets	-	593,764	13,488	607,252	494,395
Current liabilities	-	(509,334)	-	(509,334)	(492,291)
Pension liability	<u>-</u>	<u>(6,879)</u>	<u>-</u>	<u>(6,879)</u>	<u>-</u>
	<u>-</u>	<u>77,551</u>	<u>197,021</u>	<u>274,572</u>	<u>365,733</u>

**Route 39 Academy Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015**

**17. MOVEMENT IN FUNDS**

	At 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(9,989)	738,238	(687,552)	26,671	67,368
GAG start up	-	148,500	(148,500)	-	-
Other Dfe/EFA grants	5,496	23,815	(29,311)	-	-
Other LA grants	-	22,825	(22,825)	-	-
Other non government grants	-	8,022	(8,022)	-	-
Income from activities	575	40,894	(25,896)	-	15,573
	<u>(3,918)</u>	<u>982,293</u>	<u>(922,106)</u>	<u>26,671</u>	<u>82,940</u>
<b>Restricted fixed asset funds</b>					
Dfe/EFA capital grants	359,013	496,933	(665,616)	2,075	192,405
Capital expenditure from GAG	4,615	-	-	-	4,615
	<u>363,628</u>	<u>496,933</u>	<u>(665,616)</u>	<u>2,075</u>	<u>197,020</u>
<b>Restricted pension funds</b>					
Defined pension liability	-	-	(4,370)	(2,509)	(6,879)
	<u>-</u>	<u>-</u>	<u>(4,370)</u>	<u>(2,509)</u>	<u>(6,879)</u>
<b>Unrestricted funds</b>					
Unrestricted general funds	6,022	42,849	(20,125)	(28,746)	-
<b>TOTAL FUNDS</b>	<u>365,732</u>	<u>1,522,075</u>	<u>(1,612,217)</u>	<u>(2,509)</u>	<u>273,081</u>

**Material transfers between funds**

Transfers between restricted and unrestricted funds represent unrestricted funds used for the purposes of restricted expenditure.

**Restricted General Funds**

Restricted general funds includes material grant income for restricted use as follows:

- The General Annual Grant (GAG) represents funding received from the EFA during the year in order to fund the continuing activities of the Academy.
- SEN funding was received during the year from the Local Authority to provide educational support to those pupils with special educational needs.
- Pupil premium funding was received during the year from the EFA to raise the attainment of disadvantaged pupils.

**General Annual Grant**

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

**Restricted Fixed Asset Funds**

The funds include all fixed asset owned by the Academy Trust as well as expenditure in respect of property improvements to the temporary premises. The funds also include monies received from EFA specifically for the purchase of capital fixed assets.

**Pension reserve**

This represents the negative reserve in respect of the LGPS pension scheme.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015

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**18. PENSION AND SIMILAR OBLIGATIONS**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £8,640 (2014 £11,326) were payable to the schemes at 31 August 2015 and are included in creditors.

**Teachers' pension scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

Not less than every 4 years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependant on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and the notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contributions rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2016.

The pension costs paid to TPS in the period amounted to £80,392 (2014 - £46,121).

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

Under the definitions set out in the Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Route 39 Academy Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015**

**18. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

**Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £18,199 (2014 - £7,111) of which employer's contributions totalled £13,600 (2014 - £4,585) and employees' contributions totalled £4,599 (2014 - £2,526). The agreed contribution rates for future years are 19.75% for employers and 5.5% - 9.9% for employees

Parliament has agreed, at the request of the Secretary of State for Education, to 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 2014.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2015 £	2014 £
Fair value of plan assets	<u>25,454</u>	-
	<u>25,454</u>	-
Surplus	<u>25,454</u>	-
Net asset	<u>25,454</u>	-

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

	Expected return at 31 August 2015	Fair value at 31 August 2015	Expected return at 31 August 2014	Fair Value at 31 August 2014
Gilts	2.6%	1,257	3.0%	414
UK equities	7.1%	6,341	6.7%	1,914
Overseas equities	7.1%	8,229	6.7%	2,512
Property	6.0%	2,729	5.9%	721
Infrastructure	3.4%	764	3.6%	210
Target return portfolio	5.3%	3,818	5.9%	1,077
Cash	2.3%	593	2.9%	153
Other bonds	3.4%	1,257	3.6%	302
Alternative assets	5.3%	<u>466</u>	5.9%	<u>136</u>
<b>Total market value of assets</b>		<b>25,454</b>		<b>7,439</b>
Present value of scheme liabilities		<u>(32,333)</u>		<u>(8,929)</u>
<b>Surplus/(deficit) in the scheme</b>		<u><b>(6,879)</b></u>		<u><b>(1,490)</b></u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was (£45,000) (2014 - £328,000)

Route 39 Academy Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015

18. PENSION AND SIMILAR OBLIGATIONS  
- continued

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost (net of employer contributions)	18,140	-
Past service cost	-	-
Total operating charge	18,140	-
<b>Analysis of pension finance income/(costs)</b>		
Expected return on pension scheme assets	974	-
Interest on pension liabilities	(804)	-
<b>Pension finance income/(costs)</b>	170	-

The statement of financial activities for the year end 31 August 2014 did not include any amounts in relation to FRS 17 as these figures were not material.

The actual gains and losses for the current period 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 £1,019 loss (2014 - £1,394 loss).

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2015 £	2014 £
Opening defined benefit obligation	(8,929)	-
Current service cost	(18,140)	-
Contributions by scheme participants	(4,599)	-
Interest cost	(804)	-
Benefits paid	139	-
	<u>(32,333)</u>	<u>-</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2015 £	2014 £
Opening value of fund assets	7,439	-
Contributions by employer	13,600	-
Contributions by scheme participants	4,599	-
Expected return	974	-
Actuarial gains/(losses)	(1,019)	-
Benefits paid	(139)	-
	<u>25,454</u>	<u>-</u>

Route 39 Academy Trust Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015

18. PENSION AND SIMILAR OBLIGATIONS  
- continued

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

	2015	2014
Discount rate for scheme liabilities	4%	4%
Future salary increases	4.5%	4.5%
Future pension increases	2.7%	2.7%
RPI increases	3.6%	3.5%
CPI increases	2.7%	2.7%

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

	2015 £	2014 £	2013 £
<b>Defined benefit pension plans</b>			
Defined benefit obligation	(32,333)	-	(2,490)
Fair value of scheme assets	25,454	-	-
Deficit	(6,879)	-	(2,490)

**Sensitivity analysis**

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	£	£	£
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	31,155	32,333	33,556
Projected service cost	19,544	20,283	21,050
<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.0%</b>
Present value of total obligation	32,511	32,333	32,162
Projected service cost	20,293	20,283	20,273
<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value of total obligation	33,393	32,333	31,311
Project service cost	21,050	20,283	19,544
<b>Adjustment to life expectancy assumptions</b>	<b>+ 1 year</b>	<b>None</b>	<b>- 1 year</b>
Present value of total obligation	33,158	32,333	31,528
Projected service cost	20,801	20,283	19,778

**Route 39 Academy Trust Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015**

**18. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
<b>Retiring today</b>		
Males	22.8	22.7
Females	26.1	26.0
<b>Retiring in 20 years</b>		
Males	25.1	24.9
Females	28.4	28.3

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

	<b>2015 £</b>	<b>2014 £</b>
<b>At 1 September</b>	8,929	-
Current service cost	18,140	5,470
Interest cost	804	169
Actuarial losses (gains)	-	1,499
Estimated benefits paid net of transfers in	(139)	-
Contributions by scheme participants	4,599	1,791
<b>At 31 August</b>	<u>32,333</u>	<u>8,929</u>

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

	<b>2015 £</b>	<b>2014 £</b>
<b>At 1 September</b>	7,439	-
Expected return on assets	974	223
Actuarial gains/(losses)	(1,019)	105
Employer contributions	13,600	5,320
Employee contributions	4,599	1,791
Benefits paid	(139)	-
<b>At 31 August</b>	<u>25,454</u>	<u>7,439</u>

The estimated value of employer contributions for next period is £15,000 (2014 - £10,000)



Notes to the Financial Statements - continued  
for the Year Ended 31 August 2015**18. PENSION AND SIMILAR OBLIGATIONS**  
- continued

The five year history of experience adjustments is as follows:

	2015 £	2014 £	2013 £
Present value of defined benefit obligations	(32,333)	(8,929)	-
Fair value of share of scheme assets	25,454	7,439	-
	(6,879)	(1,490)	-
Experience adjustments on share of scheme assets	(1,019)	105	-
Experience adjustments on scheme liabilities	-	-	-
Cumulative actuarial gains and losses	(2,413)	(1,394)	-

Comparative figures are not restated as permitted by FRS 17.

The cumulative gains and losses in the table above start from 1 September 2013.

**19. ULTIMATE PARENT COMPANY**

The Academy Trust is controlled by its members.

**20. RELATED PARTY DISCLOSURES**

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

No related party transactions took place in the year with trustees.

