

Company Registration No. 07345831 (England and Wales)

**DURAND ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015**

DURAND ACADEMY TRUST

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DURAND ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

Mr Kevin Craig (Chair of Governors)
Sir Gregory Martin (Vice Chairman) (Appointed 1 September 2015)
Mr Mark McLaughlin (Executive Headteacher) (Appointed 1 September 2015)
Mr Tom Cornwall (Governor) (Appointed 30 March 2015)
Mr Hakim Taylor (Staff Governor) (Appointed 29 June 2015)
Mr Brendan McShane (Staff Governor) (Appointed 29 June 2015)
Ms Victoria Robinson (Governor) (Resigned 24 November 2014)
Ms Angel Lue-Taim (Governor)
Mr Tyrone Watson (Parent Governor) (Appointed 12 September 2015)
Mr Adrian Richardson (Governor) (Resigned 7 August 2015)
Mr Thomas Seery (Resigned 10 September 2014)

Members

Mr Kevin Craig
Sir Gregory Martin
Mr Tom Cornwall
Mr Alan John Davies
Durand Education Trust

Senior management team

- Executive Headteacher	Mr Mark McLaughlin
- Head of Boarding	Mr Hakim Taylor
- Advisor for Boarding School	Mr Grant Taylor (Resigned 25 March 2015)
- Assistant Head of Boarding	Ms Dioan Whyte
- Head of Year 7 and 8	Mr Alan Daniel (Resigned December 2014)
- Head of PRU and Year 7 and 8	Mr Denis O'Brien (Resigned 20 October 2015)
- Head of Key Stage 2, Year 7 and Year 8	Mr Gerard Brown
- Head of Early Years and Key Stage 1	Ms Rebecca Pickard

Company registration number

07345831 (England and Wales)

Registered office

Hackford Road
Stockwell
London
SW9 0RD

Independent auditor

Citroen Wells
Chartered Accountants
Devonshire House
1 Devonshire Street
London
W1W 5DR

Bankers

Lloyds Bank Plc
6-8 Market Square
Bromley
Kent
BR1 1NA

DURAND ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

DURAND ACADEMY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The Directors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy operates an Academy for pupils aged 3 to 18 on 3 sites. Mosytn site, nursery to year 3, Hackford Road 4 to 8, and St Cuthmans, currently 9 and 10. The new secondary school, also at St Cuthman's, is currently open for pupils 11-14. The Academy serves a catchment area in the London Borough of Lambeth. It has a pupil capacity of 1250 and had a roll of 1038 in the school census on 01st October 2015.

Structure, governance and management

Constitution

The Academy 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.

The Directors are the trustees of Durand Academy Trust and are also the directors of the charitable company for the purposes of company law. Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

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.

Directors' indemnities

The Academy Trust has subscribed to the Department for Education's (DfE) Risk Protection Arrangement (RPA). The RPA is a voluntary arrangement for academies and free schools effective from 1 September 2014. The RPA is not an insurance scheme but rather is a mechanism through which the cost of risks that materialise for subscribers will be covered by government funds.

The RPA provides cover, subject to the definitions, extensions, exclusions and conditions of the scheme, to protect the Governors and Officers from claims arising from wrongful or negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to an aggregate amount of £10,000,000 per year.

Method of recruitment and appointment or election of Directors

The minimum number of Directors is 3. There is no maximum number. The Members may appoint up to 7 Governors provided that the total number of Governors (including the Principal) who are employees of the Academy does not exceed one third of the total number of Governors. The Local Authority may appoint up to 1 Governor. The Principal shall be treated for all purposes as being an ex-officio Governor. There may be a minimum of 2 parent Governors who shall be elected by parents of registered students at the Academy. The Governors may appoint up to 2 co-opted Governors.

New parent Governors are appointed by an open election process. New member appointees Governors are appointed in consultation with other Governors.

Policies and procedures adopted for the induction and training of Directors

The Governing Body is composed of highly experienced individuals. In terms of induction, all new Governors are provided with a Governors' induction pack and advised of available training. New Governors are also supported and mentored by experienced Governors and by members of the senior management team.

DURAND ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

The Governing Body delegates decisions regarding the day to day running of the Academy to the Head Teacher. This includes all operational matters together with authority for recruitment and management of staff under his control. In terms of procurement, the authority of the Executive Headteacher is defined in the Procurement Policy, as approved by the Education Funding Agency (EFA). The Executive Headteacher is the Accounting Officer.

Related parties and other connected charities and organisations

The Academy is closely connected with Durand Education Trust (DET), a charity set up to support the education of pupils at the Academy. DET owns much of the land and buildings from which the Academy operates. London Horizons Ltd (LHL), a company wholly owned by DET, operates a sports club and accommodation business on a site which is adjacent to Hackford Road.

Tom Cornwall was a Director of LHL until 22 March 2015 and is a Governor of the Academy.

Kevin Craig, Chair of Governors, served LHL as a Director from 15 October 2014 to 29 January 2015. Kevin Craig is also a Director of PLMR Limited, who provided a range of management services to the Academy until 31 March 2015.

Mark McLaughlin, Executive Headteacher, is a Director of DET & LHL.

Details of any transactions with related parties are shown in the notes to the accounts.

Objectives and activities

Objects and aims

The principal objective and activity of the Academy is the operation of the Academy and to provide education for pupils of different abilities between the ages of 3 and 11 in the primary school, and between the ages of 11 and 18 in the new secondary school. The main objectives of the Academy are summarised below:

- To maintain the high standard of education achievement of all pupils;
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct its activities in accordance with the highest standards of integrity, probity and openness.

Public benefit

The Directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

The Academy has now completed its first five years of operation. The year to 31 August 2015 has been busy and eventful. The Academy embarked upon the opening of its Boarding School in West Sussex on 1 November 2014, accommodating the first boarders in Year 9.

DURAND ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Key performance indicators

The key performance indicators used by the Directors to assess the performance of the Academy against their stated objectives are as follows:

	2015	2014
Percentage of Staffing costs as compared to GAG received	82%	77%
Percentage of Teaching Costs as compared to GAG received	57%	54%
Percentage of Building costs as compared to GAG received	7%	13%
Percentage of unrestricted surplus as compared to GAG received	13%	12%

Curriculum Planning

As an Academy, we have revised our curriculum, to further ensure that it is stimulating, creative and robust, whilst retaining our strong focus on the core subjects. During the academic year a curriculum review ensured our programmes of study are in line with the requirements of the New National Curriculum.

Sir Gregory Martin, Former Executive Head Teacher, together with members of the senior management team identified a bespoke curriculum which entirely meets the needs of our pupils.

In the secondary school the curriculum is based on the core curriculum of English, Maths, Science, a Modern Foreign Language, Humanities, Music and PE expanding in Year 8 to include Art & Design and a further second language. Subject leaders in the secondary school develop the curriculum across the whole school working closely with the other subject leaders in the earlier Key Stages. This model provides a strong model of continuity and consistency.

Looking ahead this curriculum design coupled with the extended day (8.30am-4.30pm) which includes an in house homework session every day has resulted in students in KS3 achieving significantly above their age related expectations.

Staffing

Prior to the summer term a number of teachers were employed to ensure there was a full complement of staff, at the Academy, for the new year in September 2015.

New staff begin their induction into the school by visiting for a day in the summer term and also visiting a week before the September start date, where Team Leaders advise on the setting up of their classrooms, planning, school's structures etc. so that when the term starts the new staff are fully prepared.

During the 2014-2015 academic year, Mr Mark McLaughlin continued to support the Academy in his role as a consultant Headteacher and was appointed as permanent Headteacher on 1 September 2015. The Academy also managed to retain the services of Mr John Wentworth, an experienced primary Headteacher, in the role of School Improvement Advisor.

Mr Alan Daniels, Head of Year 7 and 8, left in December 2014 and was replaced by the engagement of Mr Denis O'Brien who also left on 20 October 2015. Mr Gerard Brown was given responsibility for Year 7 and 8.

The provision of specialist music teaching has continued to expand along with modern foreign language teaching across the school. The academy has also continued its investment into IT.

DURAND ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Students

The admissions policy and arrangements for the Academy are in accordance with admissions law, and the Department for Education (DfE) Codes of Practice, as they apply to maintained schools.

The results for 2015 were as follows:

LEVEL 4+

	Durand 2015	Lambeth 2015	National 2015
Reading	96%	92%	89%
Writing	91%	90%	87%
SP&G	94%	87%	80%
Maths	98%	92%	87%

LEVEL 5+

	Durand 2015	Lambeth 2015	National 2015
Reading	63%	52%	48%
Writing	53%	37%	36%
SP&G	69%	44%	42%
Maths	62%	43%	41%

2+ Level program in reading 96%

2+ level program in writing 96%

2+ level program in mathematics 99%

The Wider Community

- The Academy continues to offer a wide range of services to the wider community. Parents of pupils benefit from subsidised rates at the leisure club which offers a swimming pool, sauna, steam room and a state of the art gym. After school club is widely used with up to 360 pupils attending. This continues to be subsidised and costs families just £1.50 per evening per student, which includes a snack and a drink.
- School meals are high quality and nutritionally balanced and the Academy has held the cost at an average of £1.40 per meal, by far the cheapest in Lambeth.
- The children have provided musical accompaniment at various community events including the Lambeth Achievement Awards ceremony.

Liaison with the EFA

In March 2015, the EFA served a Financial Notice to Improve (FNI) to the Academy. The Academy is currently in discussions with the EFA to satisfy the terms set out in the FNI.

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 the Governing Body continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

DURAND ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

The Academy's main source of income is the General Annual Grant (GAG) from the EFA.

The grants received during the year ended 31 August 2015 and the associated expenditure are shown in the Statement of Financial Activities on page 18.

Unrestricted incoming resources for the year amounted to £228,682. Expenditure from unrestricted funds amounted to £114,894 giving rise to a net surplus for the year of £113,788.

Restricted general funds received amounted to £7,524,004 and comprised mainly of the GAG receivable from EFA. Restricted general fund expenditure for the year amounted to £6,696,237 giving rise to a surplus on restricted general funds of £827,767. The Academy spent £542,245 of GAG (Revenue) funding in the year, much of it on the Middle School building, and a transfer was made to the restricted fixed asset funds from restricted general funds, in support of this expenditure. This leaves a restricted general fund surplus of £285,522 for the year. The total revenue surplus for the year is thus £399,310, comprising of £113,788 of unrestricted funds and £285,522 of restricted general funds (excluding pension adjustments). The cumulative surplus for restricted and unrestricted funds amounts to £833,774. If the cumulative pension deficit is included, this surplus is reduced to £819,774

Restricted general funds also include the Academy's share of pension liabilities for non-teaching staff of £480,000 carried forward at 31 August 2015. This is represented by the liability of £410,000 brought forward at 1 September 2014, the adjustment of £56,000 for the pension expense and the actuarial loss of £14,000 on the pension scheme.

The Academy's pension liability is valued in line with FRS17. Note 17 to the accounts explains the commitments more clearly and shows that as at 31 August 2015, there was a cumulative shortfall of £480,000 for the Academy's proportion of the Lambeth Council element of the pension deficit.

The deficit on the Local Government Pension Scheme does not mean that an immediate liability crystallises. The deficit results in a potential cash flow effect for the Academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the Academy because of recognising the deficit.

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.

Restricted capital grants received from the EFA during the year were £91,254. At 31 August 2015, the net book value of fixed assets was £4,861,480 and movements in tangible fixed assets are shown in note 10 to the accounts. These assets are used by the Academy in order to provide education and associated support services to pupils of the Academy and the wider community.

Reserves policy

The Directors have delegated to the Governors the responsibility to review the reserve levels of the Academy on a regular basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors' view is that free reserves should provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies. The Academy's current level of free reserves (total funds less amounts held under fixed assets and other restricted funds) is a surplus of £786,461.

At 31 August 2015, the restricted general reserve amounted to £1,367,486 after recognising a pension deficit of £480,000. The majority of all such surpluses at 31 August 2015 have been designated to support the construction of the secondary school in West Sussex. The Governors anticipate that this will continue to be the case for at least the next three years.

DURAND ACADEMY TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Investment policy and powers

The Directors' investment powers are governed by the memorandum and articles of association. There are currently no funds available for long term investment and any surplus funds which are retained are placed on short term deposit.

Principal risks and uncertainties

The Directors have assessed the major risks and consider that the principal risks to which the Academy is exposed are:

- Risk of insufficient funding
- Risk of fire or other damage to premises
- Risk of improper use of public funds
- Risks associated with safeguarding of children
- Risks of acting outside of its charitable objects

There are a number of other risks that the Academy and its Directors must be aware of, but those shown above are the most significant.

Governors are also aware of these risks and the measures in place to deal with them. Risk of insufficient funding is mitigated by ensuring the Academy continues to be an attractive proposition to parents within the catchment area. This is achieved by good reputational management and by the Academy continuing to deliver education of the highest possible standard to its pupils.

Plans for future periods

The Academy's key aims and objectives for the future include;

Improved standards;

- Ensuring every child enjoys the same high quality education in terms of resourcing, care and tuition
- Maintaining and raising the standard of educational achievement of all pupils
- Continuously improving the curriculum and organisational structure

Responsibility to others;

- Complying with all appropriate statutory and curriculum standards
- Value for money
- Providing excellent teachers and boarding facilities on the St Cuthmans site

Auditor

In so far as the Directors are aware;

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

A resolution proposing that Citroen Wells be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 21 December 2015 and signed on its behalf by:



Sir Gregory Martin
Vice Chairman

DURAND ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Durand 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 Governing Body has delegated the day-to-day responsibility to the Executive 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 Durand Academy Trust 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 Directors' Report and in the Statement of Directors' Responsibilities. The Governing Body has formally met five times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Directors	Meetings attended	Out of possible
Mr Kevin Craig (Chair of Governors)	5	5
Sir Gregory Martin (Vice Chairman) (Appointed 1 September 2015)	0	0
Mr Mark McLaughlin (Executive Headteacher) (Appointed 1 September 2015)	0	0
Mr Tom Cornwall (Governor) (Appointed 30 March 2015)	5	5
Mr Hakim Taylor (Staff Governor) (Appointed 29 June 2015)	1	1
Mr Brendan McShane (Staff Governor) (Appointed 29 June 2015)	1	1
Ms Victoria Robinson (Governor) (Resigned 24 November 2014)	2	2
Ms Angel Lue-Taim (Governor)	4	5
Mr Tyrone Watson (Parent Governor) (Appointed 12 September 2015)	3	5
Mr Adrian Richardson (Governor) (Resigned 7 August 2015)	5	5
Mr Thomas Seery (Resigned 10 September 2014)	0	0
Non Directors		
Ms Marcia Van-Loo (Parent Governor) (Appointed 24 November 2014 and resigned 30 November 2015)	4	4
Mr Paul Hunt (Governor) (Appointed 20 January 2015 and resigned 31 May 2015)	2	2
Mr William Elliott (Parent Governor) (Appointed 24 November 2014 and resigned 31 January 2015)	1	2

The meetings of the full Governing Body include all matters that would otherwise be dealt with by the Finance and General Purposes Committee so separate meetings are not held.

During the year, the Governing Body had detailed discussions with the EFA regarding the Academy's governance and also concerning the relationship with, and structure of, London Horizons Limited, a connected trading company and Durand Education Trust, the foundation trust. The Governors of the Academy have worked constructively with the EFA and continue to do so. Following the EFA's guidance, Adrian Richardson, who has experience in boarding schools, was appointed as a new Governor to further strengthen the Governing Body.

The Academy's Governors remain committed to continuously reviewing and strengthening governance and company structures and procedures in order to safeguard the future of the Academy.

DURAND ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Review of value for money

As accounting officer the Executive Headteacher has responsibility for ensuring that the Academy 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 Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy has delivered improved value for money during the year by:

- Employing qualified staff and deploying them effectively across the school to provide the best educational experience for our pupils
- Providing pupils and staff with resources, equipment, materials and services which support quality of teaching and quality of learning.
- Introducing measures to ensure compliance with the procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost.
- Continuously reviewing the quality of the Academy's environment and ethos, in order to provide a supportive environment conducive to learning and recreation.

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 in Durand Academy Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Directors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Directors.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the finance and general purposes committee of reports which indicate financial 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 requires the use of an internal audit function. Lotus Accountax Ltd is the internal auditor, who on a quarterly basis produces a report for the Governing Body.

DURAND ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The Internal Auditors role includes giving advice on financial matters and performing a range of checks on the Academy's operation of financial systems and controls as well as on the discharge of the financial responsibilities. In particular, checks carried out in the current period included:

- Bank Reconciliations
- Payroll Analysis & Authorisations
- Purchase Ledger & Payments
- Major Contracts
- Income & Receipts

During the year all financial records were reported to have been kept appropriately, with clear audit trails. The Internal Audit reports affirmed the effectiveness of the Academy's internal control systems in place.

The internal auditor reports to the Governing Body four times per year on the operation of the systems of control and on the discharge the Governing Body's financial responsibilities.

The Governing Body confirms that the internal audit function has been fully delivered in line with the EFA's requirements and that no material control issues arose as a result of the Internal Auditor's work.

Review of effectiveness

As accounting officer the Vice Chairmen of the Governors has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, he has relied upon:

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

The accounting officer has been advised by the Governing Body of the implications of the result of their review of the system of internal control. For the year 31 August 2015 no significant weaknesses were identified. In the event that significant weaknesses are identified in future years a plan will be put in place to address them. Regular reviews will ensure the continuous improvement and effectiveness of the systems that are in place.

Approved by order of the Governing Body on 21 December 2015 and signed on its behalf by:



Sir Gregory Martin
Vice Chairman



Mr Mark McLaughlin
Executive Headteacher

DURAND ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Durand Academy Trust, 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 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's 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.

Approved on 21 December 2015 and signed by:



Mr Mark McLaughlin
Accounting Officer

DURAND ACADEMY TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who also act as trustees for Durand Academy Trust) are responsible for preparing the Directors' Report and the accounts 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 Directors to prepare accounts for each financial year. Under company law the Directors must not approve the accounts 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 accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 accounts 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 Directors 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 that grants received from the EFA/DfE have been applied for the purposes intended.

The Directors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Governing Body on 21 December 2015 and signed on its behalf by:


Sir Gregory Martin
Vice Chairman

DURAND ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DURAND ACADEMY TRUST

We have audited the accounts of Durand Academy Trust for the year ended 31 August 2015 set out on pages 18 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the 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 auditor's 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 13, the directors, who also act as trustees for the charitable activities of Durand Academy Trust, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors' Annual Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company'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, and 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 Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

DURAND ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DURAND ACADEMY TRUST

Matters on which we are required to report by exception

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

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



Stephen Simou FCA (Senior Statutory Auditor)
Citroen Wells

Chartered Accountants
Statutory Auditor
Devonshire House
1 Devonshire Street
London
W1W 5DR

Dated: 22 December 2015

DURAND ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DURAND ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter 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 Durand Academy Trust 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 Durand Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Durand Academy Trust 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 the Durand Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Durand Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Durand Academy Trust's funding agreement with the Secretary of State for Education dated 10 September 2012 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.

DURAND ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DURAND ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- a review and evaluation of the general control environment of the Academy, with a particular focus on controls to ensure the regularity of transactions;
- checking the implementation and operation of controls by performing substantive testing and analytical review procedures, as part of our standard statutory audit engagement, that also gave us assurances relevant for this report on regularity;
- holding discussions with the Accounting Officer to corroborate his declaration with regards to regularity and impropriety;
- testing of a sample of:
 - payments to staff to confirm that all transactions requiring prior clearance from the Secretary of State were correctly approved (or that there were no such transactions)
 - payments to suppliers and other third parties regarding procurement activity, to ensure this has been in accordance with Annex 4.6 of Managing Public Money;
- a review of minutes of various committees and other evidence made available to us relevant to our consideration of regularity; and
- requesting and receiving confirmation from the EFA that there is no information that they are aware of that may impact upon the planning and subsequent delivery of the regularity assurance engagement.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.



Stephen Simou FCA
Reporting Accountant
Citroen Wells
Devonshire House
1 Devonshire Street
London
W1W 5DR

Dated: 22 December 2015

DURAND ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
Incoming resources						
<i>Resources from generated funds</i>						
- Voluntary income	2	700	240,000	-	240,700	8,400
- Investment income	3	8,057	-	-	8,057	20,107
<i>Resources from charitable activities</i>						
- Funding for educational operations	4	219,925	7,234,911	91,254	7,546,090	7,332,928
- Funding for Boarding activities	23	-	49,093	-	49,093	-
Total incoming resources		228,682	7,524,004	91,254	7,843,940	7,361,435
Resources expended						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	6	114,894	5,634,586	199,035	5,948,515	6,384,237
- Boarding activities	23	-	765,130	-	765,130	-
Governance costs	7	-	296,521	-	296,521	413,311
Total resources expended	5	114,894	6,696,237	199,035	7,010,166	6,797,548
Net incoming/(outgoing) resources before transfers		113,788	827,767	(107,781)	833,774	563,887
Gross transfers between funds		-	(542,245)	542,245	-	-
Net income/(expenditure) for the year		113,788	285,522	434,464	833,774	563,887
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(14,000)	-	(14,000)	(174,000)
Net movement in funds		113,788	271,522	434,464	819,774	389,887
Fund balances at 1 September 2014		672,673	1,095,964	4,427,016	6,195,653	5,805,766
Fund balances at 31 August 2015		786,461	1,367,486	4,861,480	7,015,427	6,195,653

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.


DURAND ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	10		4,861,480		4,427,016
Current assets					
Stocks	11	17,813		10,000	
Debtors	12	2,219,739		2,703,982	
Cash at bank and in hand		912,856		464,700	
		<u>3,150,408</u>		<u>3,178,682</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(516,461)		(1,000,045)	
Net current assets			<u>2,633,947</u>		<u>2,178,637</u>
Net assets excluding pension liability			<u>7,495,427</u>		<u>6,605,653</u>
Defined benefit pension liability	17		(480,000)		(410,000)
Net assets			<u><u>7,015,427</u></u>		<u><u>6,195,653</u></u>
Funds of the Academy:					
Restricted funds	15				
- Fixed asset funds			4,861,480		4,427,016
- General funds			1,847,486		1,505,964
- Pension reserve			(480,000)		(410,000)
Total restricted funds			<u>6,228,966</u>		<u>5,522,980</u>
Unrestricted income funds	15		<u>786,461</u>		<u>672,673</u>
Total funds			<u><u>7,015,427</u></u>		<u><u>6,195,653</u></u>

The accounts were approved by order of the Governing Body and authorised for issue on 21 December 2015.


Sir Gregory Martin
Vice Chairman

Company Number 07345831

DURAND ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	18	982,344	(1,125,032)
Returns on investments and servicing of finance			
Investment income	8,057	20,107	
Net cash inflow/(outflow) from returns on investments and servicing of finance		8,057	20,107
		990,401	(1,104,925)
Capital expenditure and financial investments			
Capital grants received	91,254	24,578	
Payments to acquire tangible fixed assets	(633,499)	(853,887)	
Net cash flow from capital activities		(542,245)	(829,309)
Increase/(decrease) in cash	19	448,156	(1,934,234)

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts 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 2014 to 2015 issued by the Education Funding Agency 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 Directors 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 company to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the accounts.

The academy's forecasts and projections, taking account of reasonable possible changes to student numbers and expenditure in the business plan, show that the academy should be able to operate within its current available funds. The directors therefore have a reasonable expectation that the academy has adequate resources to continue for the foreseeable future and therefore adopt the going concern basis in preparing the annual accounts.

1.3 Incoming resources

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

Grants receivable

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

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.

Sponsorship income

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.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

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.

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Donated services and gifts in kind

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

Upon becoming an Academy the company received a transfer of property, and other assets, at no consideration. These assets were reflected as an incoming resource in the first year's accounts, at an amount the Directors consider to be the estimated fair value of the property and assets transferred to the Academy at that time

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

1.4 Resources expended

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

Costs of generating funds

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 Directors' meetings and reimbursed expenses.

All resources expended are net of VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

The annual rates used for each class of asset are:

Leasehold property	2% on a straight line balance
Computer equipment and software	25% straight line balance
Fixtures and fittings	20% reducing balance basis

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 Stock

Unsold school uniforms are held at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.8 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.

1.9 Pensions benefits

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

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 17, 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 are recognised as they are paid each year.

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

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

1.10 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 Directors.

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

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

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other donations	700	240,000	240,700	8,400

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	8,057	-	8,057	20,107

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

4 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	5,859,700	5,859,700	5,552,254
Start up grants	-	118,129	118,129	200,429
Capital grants	-	91,254	91,254	24,578
Other DfE / EFA grants	-	993,539	993,539	849,778
	-	7,062,622	7,062,622	6,627,039
Other government grants				
Local authority grants	-	263,543	263,543	436,166
Other funds				
Other incoming resources	219,925	-	219,925	269,723
Total funding	219,925	7,326,165	7,546,090	7,332,928

5 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	3,346,271	199,035	153,518	3,698,824	3,301,171
- Allocated support costs	984,025	40,191	1,225,475	2,249,691	3,083,066
	4,330,296	239,226	1,378,993	5,948,515	6,384,237
Boarding activities					
- Direct costs	177,084	-	37,132	214,216	-
- Allocated support costs	296,231	78,279	176,404	550,914	-
	473,315	78,279	213,536	765,130	-
Other expenditure					
Governance costs	-	-	296,521	296,521	413,311
Total expenditure	4,803,611	317,505	1,889,050	7,010,166	6,797,548

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Resources expended		(Continued)			
Net income/(expenditure) for the year includes:		2015	2014		
		£	£		
Operating leases					
- Plant and machinery		53,964	90,277		
Fees payable to auditor					
- Audit		16,751	16,000		
- Other services		10,335	6,575		
		<u> </u>	<u> </u>		
6 Charitable activities		Unrestricted funds	Restricted funds	Total 2015	Total 2014
		£	£	£	£
Direct costs					
Teaching and educational support staff costs	-	3,523,355		3,523,355	2,989,443
Depreciation	-	199,035		199,035	160,410
Educational supplies and services	-	70,466		70,466	53,960
Other direct costs	-	120,184		120,184	97,358
		<u> </u>		<u> </u>	<u> </u>
		-	3,913,040	3,913,040	3,301,171
Boarding activities costs included above	-	(214,216)		(214,216)	-
		<u> </u>		<u> </u>	<u> </u>
Costs excluding Boarding activities	-	3,698,824		3,698,824	3,301,171
		<u> </u>		<u> </u>	<u> </u>
Allocated support costs					
Support staff costs	-	1,280,256		1,280,256	1,270,862
Technology costs	-	76,755		76,755	70,412
Recruitment and support	-	49,745		49,745	47,816
Maintenance of premises and equipment	-	118,470		118,470	141,941
Cleaning	-	84,184		84,184	89,480
Energy costs	-	102,359		102,359	73,800
Rent and rates	-	60,666		60,666	50,546
Insurance	-	33,702		33,702	55,594
Security and transport	-	8,302		8,302	530
Catering	-	469,677		469,677	420,820
Interest and finance costs	-	3,000		3,000	5,000
Other support costs	114,894	398,595		513,489	856,265
		<u> </u>		<u> </u>	<u> </u>
		114,894	2,685,711	2,800,605	3,083,066
Boarding activities costs included above	-	(550,914)		(550,914)	-
		<u> </u>		<u> </u>	<u> </u>
Costs excluding Boarding activities	114,894	2,134,797		2,249,691	3,083,066
		<u> </u>		<u> </u>	<u> </u>
Total costs	114,894	6,598,751		6,713,645	6,384,237
Boarding activities costs included above	-	(765,130)		(765,130)	-
		<u> </u>		<u> </u>	<u> </u>
Costs excluding Boarding activities	114,894	5,833,621		5,948,515	6,384,237
		<u> </u>		<u> </u>	<u> </u>

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Governance costs	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	164,533	164,533	251,109
Auditor's remuneration	-	37,886	37,886	22,575
Other governance costs	-	94,102	94,102	139,627
	-	296,521	296,521	413,311

8 Staff costs	2015 £	2014 £
Wages and salaries	2,874,134	2,814,065
Social security costs	230,316	242,078
Other pension costs	350,820	284,086
	3,455,270	3,340,229
Supply teacher costs	1,151,330	633,709
Staff development and other staff costs	197,011	286,367
Total staff costs	4,803,611	4,260,305

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

	2015 Number	2014 Number
Teachers	50	56
Administration and support	14	14
Management	4	4
	68	74

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,001 - £70,000	3	3
£70,001 - £80,000	-	1
£200,001 - £210,000	1	1

Two of the above employees participated in the Teachers' Pension Scheme and one participated in the Local Government Pension Scheme.

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Directors' remuneration and expenses

One or more Directors have been paid remuneration or have received other benefits from their employment with the Academy. Staff Directors only receive remuneration in respect of services they provide undertaking their employment roles under their contracts of employment, and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Academy in respect of their role as Directors.

The value of Directors' remuneration and other benefits was as follows:

Brendan McShane (staff):

- Remuneration £10,000 - £15,000 (2014: £nil)
- Employer's pension contributions £0 - £5,000 (2014: £nil)

Hakim Taylor (staff):

- Remuneration £10,000 - £15,000 (2014: £nil)
- Employer's pension contributions £0 - £5,000 (2014: £nil)

During the year, travel and subsistence payments totalling £935 (2014: £nil) were reimbursed or paid directly to 5 Governors (2014: nil).

Other related party transactions involving the Directors are set out within the related parties note.

Directors' and officers' insurance

The Academy Trust has subscribed to the Department for Education's (DfE) Risk Protection Arrangement (RPA). The RPA is a voluntary arrangement for academies and free schools effective from 1 September 2014. The RPA is not an insurance scheme but rather is a mechanism through which the cost of risks that materialise for subscribers will be covered by government funds.

The RPA provides cover, subject to the definitions, extensions, exclusions and conditions of the scheme, to protect the Governors and Officers from claims arising from wrongful or negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to an aggregate amount of £10,000,000 per year.

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Tangible fixed assets

	Leasehold property	Computer equipment and software	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 September 2014	4,402,822	193,666	347,496	4,943,984
Additions	437,511	83,024	112,964	633,499
At 31 August 2015	4,840,333	276,690	460,460	5,577,483
Depreciation				
At 1 September 2014	247,547	103,043	166,378	516,968
Charge for the year	96,807	43,412	58,816	199,035
At 31 August 2015	344,354	146,455	225,194	716,003
Net book value				
At 31 August 2015	4,495,979	130,235	235,266	4,861,480
At 31 August 2014	4,155,275	90,623	181,118	4,427,016

11	Stocks	2015 £	2014 £
	Uniform stock	17,813	10,000
12	Debtors	2015 £	2014 £
	VAT recoverable	55,713	247,420
	Other debtors	2,002,350	2,302,165
	Prepayments and accrued income	161,676	154,397
		2,219,739	2,703,982

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

13 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	264,276	538,599
Taxes and social security costs	103,598	108,731
Other creditors	15,297	105,095
Accruals	77,758	173,120
Deferred income	55,532	74,500
	<u>516,461</u>	<u>1,000,045</u>
14 Deferred income	2015 £	2014 £
Deferred income is included within:		
Creditors due within one year	<u>55,532</u>	<u>74,500</u>
Total deferred income at 1 September 2014	74,500	83,350
Amounts credited to the statement of financial activities	(74,500)	(8,850)
Amounts deferred in the year	<u>55,532</u>	<u>-</u>
Total deferred income at 31 August 2015	<u><u>55,532</u></u>	<u><u>74,500</u></u>

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

	Balance at 1 September 2014	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2015
	£	£	£	£	£
Restricted general funds					
General Annual Grant	1,505,964	5,859,700	(4,499,896)	(542,245)	2,323,523
Start up grants	-	118,129	(118,129)	-	-
Other DfE / EFA grants	-	993,539	(993,539)	-	-
Other government grants	-	263,543	(263,543)	-	-
Boarding activities	-	289,093	(765,130)	-	(476,037)
	<u>1,505,964</u>	<u>7,524,004</u>	<u>(6,640,237)</u>	<u>(542,245)</u>	<u>1,847,486</u>
Funds excluding pensions	1,505,964	7,524,004	(6,640,237)	(542,245)	1,847,486
Pension reserve	(410,000)	-	(56,000)	(14,000)	(480,000)
	<u>1,095,964</u>	<u>7,524,004</u>	<u>(6,696,237)</u>	<u>(556,245)</u>	<u>1,367,486</u>
Restricted fixed asset funds					
DfE / EFA capital grants	2,039,941	91,254	(57,077)	-	2,074,118
Capital expenditure from GAG or other funds	2,248,135	-	(133,989)	542,245	2,656,391
Private sector capital sponsorship	138,940	-	(7,969)	-	130,971
	<u>4,427,016</u>	<u>91,254</u>	<u>(199,035)</u>	<u>542,245</u>	<u>4,861,480</u>
Total restricted funds	<u>5,522,980</u>	<u>7,615,258</u>	<u>(6,895,272)</u>	<u>(14,000)</u>	<u>6,228,966</u>
Unrestricted funds					
General funds	<u>672,673</u>	<u>228,682</u>	<u>(114,894)</u>	<u>-</u>	<u>786,461</u>
Total funds	<u>6,195,653</u>	<u>7,843,940</u>	<u>(7,010,166)</u>	<u>(14,000)</u>	<u>7,015,427</u>

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

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

Restricted Fund

The restricted funds comprise of funds received from the EFA and other local government bodies and are used to finance ongoing expenditure of the normal day to day educational activities of the Academy.

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

Restricted fixed assets fund

The restricted fixed assets funds comprise of the net book value of fixed assets that have been acquired from funds received from the EFA and other sources (including transfer from other funds) and also assets donated by the Primary School on conversion into an Academy.

Pension reserve

The pension reserve relates to the Academy's share of the deficit of the Lambeth City Council Local Government Pension Scheme.

The deficit on the LGPS does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the Academy because of recognising the deficit.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	4,861,480	4,861,480
Current assets	797,239	2,353,169	-	3,150,408
Creditors falling due within one year	(10,778)	(505,683)	-	(516,461)
Defined benefit pension liability	-	(480,000)	-	(480,000)
	786,461	1,367,486	4,861,480	7,015,427
	786,461	1,367,486	4,861,480	7,015,427

17 Pensions 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 the Local Pension Fund Authority. Both are multi-employer 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 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £37,291 (2014: £40,075) were payable to the schemes at 31 August 2015 and are included within creditors.

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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 four 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 dependent 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 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 3.0% 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 contribution 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 2019.

The pension costs payable to the TPS in the period amounted to £213,466 (2014: £236,227).

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

Under the definitions set out in 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.

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions 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 contributions are as noted below. The agreed contribution rates for future years are 14.2% for employers and between 5.5% and 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £89,000.

As the scheme is in deficit the Academy has agreed to provide additional contributions of £15,675 in the year beginning 1 April 2015 and £16,380 in the year beginning 1 April 2016.

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.

Contributions made	2015 £	2014 £
Employer's contributions	94,000	55,000
Employees' contributions	36,000	18,000
Total contributions	<u>130,000</u>	<u>73,000</u>

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.3	4.4
Rate of increase for pensions in payment	2.5	2.6
Discount rate for scheme liabilities	3.8	3.8
Inflation assumption (CPI)	<u>2.5</u>	<u>2.6</u>

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

	£000's	£000's	£000's
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	1,124	1,144	1,164
Projected service cost	140	143	146
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	1,147	1,144	1,141
Projected service cost	143	143	143
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	1,162	1,144	1,126
Projected service cost	146	143	140
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	1,177	1,144	1,112
Projected service cost	147	143	139

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

	2015 Years	2014 Years
Retiring today		
- Males	22	22
- Females	25	25
Retiring in 20 years		
- Males	24	24
- Females	27	27

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

	2015 Fair value £	2014 Fair value £
Equities	292,000	250,000
LDI/Cashflow matching	95,000	37,000
Target Return Portfolio	129,000	158,000
Infrastructure & Commodities	39,000	26,000
Property	21,000	15,000
Other assets	88,000	76,000
Total market value of assets	664,000	562,000
Present value of scheme liabilities - funded	(1,144,000)	(972,000)
Net pension asset / (liability)	(480,000)	(410,000)

For the years beginning on or after 1 January 2015, the expected return and the interest cost were replaced with a single net interest cost, which effectively sets the expected return equal to the discount rate.

For the year to 31 August 2015, the expected return was 5.5% per annum, which has been used to determine the profit and loss charge for the year ended.

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	147,000	48,000
Past service cost	-	-
Total operating charge	147,000	48,000
Finance costs/(income)		
Expected return on pension scheme assets	(34,000)	(27,000)
Interest on pension liabilities	37,000	32,000
Net finance costs/(income)	3,000	5,000
Total charge/(income)	150,000	53,000

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	35,000	(47,000)
Experience (gains)/losses on liabilities	(21,000)	221,000
(Gains)/losses arising from changes in assumptions	-	-
	<u>14,000</u>	<u>174,000</u>
Cumulative (gains)/losses to date	<u>217,000</u>	<u>203,000</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £424,000 loss (2014: £410,000).

Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(972,000)	(699,000)
Current service cost	(147,000)	(48,000)
Interest cost	(37,000)	(32,000)
Contributions by employees	(36,000)	(18,000)
Actuarial gains/(losses)	21,000	(221,000)
Benefits paid	27,000	46,000
	<u>(1,144,000)</u>	<u>(972,000)</u>
At 31 August 2015	<u>(1,144,000)</u>	<u>(972,000)</u>

Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	562,000	461,000
Expected return on assets	34,000	27,000
Actuarial gains/(losses)	(35,000)	47,000
Contributions by employers	94,000	55,000
Contributions by employees	36,000	18,000
Benefits paid	(27,000)	(46,000)
	<u>664,000</u>	<u>562,000</u>
At 31 August 2015	<u>664,000</u>	<u>562,000</u>

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (Continued)

History of experience gains and losses

	2015 £	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(1,144,000)	(972,000)	(699,000)	(610,000)
Fair value of share of scheme assets	664,000	562,000	461,000	370,000
Surplus / (deficit)	<u>(480,000)</u>	<u>(410,000)</u>	<u>(238,000)</u>	<u>(240,000)</u>
Experience adjustment on scheme assets	(35,000)	47,000	33,000	9,000
Experience adjustment on scheme liabilities	21,000	(221,000)	(40,000)	(73,000)

18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income	833,774	563,887
Capital grants and similar income	(91,254)	(24,578)
Investment income	(8,057)	(20,107)
Defined benefit pension costs less contributions payable	53,000	(7,000)
Defined benefit pension finance costs/(income)	3,000	5,000
Depreciation of tangible fixed assets	199,035	160,410
(Increase)/decrease in stocks	(7,813)	9,000
(Increase)/decrease in debtors	484,243	(2,145,602)
Increase/(decrease) in creditors	(483,584)	333,958
Net cash inflow/(outflow) from operating activities	<u>982,344</u>	<u>(1,125,032)</u>

19 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase/(decrease) in cash	448,156	(1,934,234)
Net funds at 1 September 2014	464,700	2,398,934
Net funds at 31 August 2015	<u>912,856</u>	<u>464,700</u>

20 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	<u>464,700</u>	<u>448,156</u>	-	<u>912,856</u>

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

21 Contingent liabilities

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a capital grant was received, the Academy shall, if it does not re-invest the proceeds, repay to the Secretary of State of the Department for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to :

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

22 Commitments under operating leases

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Expiry date:		
- Within one year	36,354	43,688
- Between two and five years	4,268	9,443
	<u>40,622</u>	<u>53,131</u>

The Academy occupies its sites under informal leases with Durand Education Trust. Further details are given in note 24.

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

23 Boarding activities trading account	2015		2014	
	£	£	£	£
Direct income				
Government grants		43,751		-
Other income		5,342		-
		<u>49,093</u>		<u>-</u>
Other income				
Voluntary income		240,000		-
		<u>289,093</u>		<u>-</u>
Direct costs				
Direct staff costs	177,084		-	
Educational supplies and services	6,117		-	
Other direct costs	31,015		-	
	<u>214,216</u>		<u>-</u>	
Other costs				
Support staff costs	296,231		-	
Technology costs	293		-	
Maintenance of premises and equipment	78,279		-	
Cleaning	23,707		-	
Energy costs	37,758		-	
Rent and rates	19,914		-	
Insurance	250		-	
Security and transport	1,255		-	
Catering	62,716		-	
Other support costs	30,511		-	
	<u>550,914</u>		<u>-</u>	
Total expenditure		<u>(765,130)</u>		<u>-</u>
Surplus/(Deficit) from all sources		<u>(476,037)</u>		<u>-</u>
Boarding activities balances at 1 September 2014		-		-
Boarding activities balances at 31 August 2015		<u>(476,037)</u>		<u>-</u>

DURAND ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

24 Related parties

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

The school sites at Hackford Road, London and in Midhurst, West Sussex, are owned by the Durand Education Trust (DET). DET is a company limited by guarantee in which Sir Gregory Martin and Dr Alex Mehta were Directors until 19 September 2014 and 26 September 2014 respectively. Mr Mark McLaughlin was appointed as a director of DET on 19 September 2014. The sites are leased informally from DET for a peppercorn rent, and at the year end, formal leases for both sites were in the process of being prepared.

During the year, the Academy received donations of £240,700 (2014: £8,400) from DET. At the year end, DET owed £1,999,986 (2014: £2,025,634) to the Academy. The balance includes an amount of £1,800,000 held by DET on behalf of the Academy as designated funds for the purpose of funding the new secondary boarding school. Of the remainder, £38,000 relates to donations owed by DET and £161,986 relates to monies paid to the Academy's solicitors on behalf of DET.

During the year, the Academy made payments relating to marketing and promotion totalling £125,089 (2014: £241,193) to PLMR Limited, a company in which Mr Kevin Craig has a majority interest. At the year end, the Academy owed £315 (2014: £22,694) to PLMR Limited. PLMR Limited ceased providing these services to the Academy during the year.

Mr Tom Cornwall, who was a Director of the Academy from 30 March 2015, was also a Director of London Horizons Limited (LHL), a company limited by guarantee until 20 March 2015 and Kevin Craig was appointed as a Director of LHL on 15 October 2014 before resigning on 27 January 2015. During the year, the Academy contributed towards subsidised LHL gym membership to parents and staff, accommodation for teachers and key workers, and swimming classes for pupils totalling £159,672 (2014: £157,925) and invoiced LHL for services provided by the Academy totalling £21,242 (2014: £73,857). At the year end, £3,729 (2014: £65,868) was payable by LHL to the Academy.

During the year, the Academy paid £nil (2014: £4,500) to Judicium Consulting Limited for legal services, a company in which Alex Mehta is the company secretary and also a Director of its ultimate parent company, Judicium Limited. No amounts were outstanding at the year end.

During the year, the Academy paid £3,375 (2014: £nil) to Judicium Education Support Services Limited for legal services, a company in which Alex Mehta is a Director. An amount of £1,350 (2014: nil) was owed at the year end.

Mr Mark McLaughlin who is a governor of the Academy is also a Director of JGM Education Limited. During the year, the Academy paid £111,838 (2014: £nil) for his services as acting a consultant Headteacher. No amounts were outstanding at the year end. Mr Mark McLaughlin became an employee and Director of the Academy on 1 September 2015.

25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.