

REGISTERED COMPANY NUMBER: 08278808 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014
FOR
INNOVATION ENTERPRISE ACADEMY**

**Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA**

INNOVATION ENTERPRISE ACADEMY
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FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

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INNOVATION ENTERPRISE ACADEMY
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

MEMBERS J K Woodroofe
C McLeod
I Hann

TRUSTEES I Hann
C McLeod
Mrs L Scott
J K Woodroofe

All of the Trustees are members of the Finance, Audit and Premises committees

GOVERNORS J Woodroofe (Chairman)
C McLeod (Vice Chairman)
D Findon (Responsible Officer)
I Hann
L Scott
J Hockenhill
R Wilde
P Jones
C Fone
A Brothers
B Fisher
L Fox
M Bacon
I Critchley
I Kirkham

Executive Principal (Accounting Officer)
Principal Head of School
Vice Principal
School Business Manager and Company Secretary

REGISTERED OFFICE Wade Deacon High School
Birchfield Road
Widnes
Cheshire
WA8 7TD

REGISTERED COMPANY NUMBER 08278808 (England and Wales)

SENIOR STATUTORY AUDITOR Stephen Grayson FCCA

AUDITORS Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

INNOVATION ENTERPRISE ACADEMY
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

SOLICITORS

Business Services Group
Hill Dickinson LLP
No.1 St. Paul's Square
Liverpool
L3 9SJ

BANKERS

HSBC BANK PLC HBEU
Cheshire Commercial Centre,
'Vista', St Davids Park,
Ewloe,
Chester,
CH5 3DT
Operating Branch Runcorn

INNOVATION ENTERPRISE ACADEMY
STRATEGIC REPORT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

The trustees present their strategic report for the period 1 March 2013 to 31 August 2014.

For this inaugural report an 18 month will be undertaken, moving forward from this point this will be an ongoing 12 month period.

REVIEW OF BUSINESS

The principal objective of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies, offering a broad and balanced curriculum. In setting the Trusts objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The current Trust Board of Directors are from a diverse range of backgrounds and each one has a different type of expertise to offer however they all have one thing in common and that is a commitment to an exceptional education where tradition is respected and innovation is encouraged. The vision is for every school in the Trust to be an outstanding school where every child receives an exceptional education.

As the Trust develops and grows, the Directors will have regard for the operational processes of the schools within the Trust and will make adjustments to both the structure and membership of the relevant bodies in order to ensure that the Trust can manage the schools in accordance within the required Ofsted framework and ensure that the core principles are sustained.

The membership of Innovation Enterprise Academy is currently Wade Deacon High School. However the Trust through its National Leader of Education has provided school to school support to a number of establishments including a high level to West Bank Primary School.

Wade Deacon High School carried forward into the Academy its commitments to the specialisms of technology, mathematics and computing. The Wade Deacon campus is situated on a large new build and refurbished site offers state of the art facilities both internally and externally.

We believe in giving every student the opportunity to develop his or her talents to the full and we expect every student to work very hard in order to achieve this. We are committed to an exceptional education where tradition is respected and innovation is encouraged. The academy is committed to training and the life-long learning of all our members of staff and the community. Students and staff work side-by-side with the latest technological developments to enhance further the quality of our teaching and learning.

Students are helped to develop real life solutions to real life problems, using industry standard equipment to achieve their goals. As a major contributor to the concept of lifelong learning, we are a school that makes a difference within our community. We achieve this by engaging in collaborative projects with our community partners and sharing our resources with them.

Throughout school, students are encouraged to take pride in themselves, their actions and their achievements. We have high expectations of students' academic work and the manner in which they conduct themselves around the school campus and in the community beyond. An orderly and disciplined environment is a key feature of our work in school.

The success of this is based on promoting and maintaining excellent standards of self-discipline, school uniform and the promotion of a sense of pride and belonging to our school.

High levels of attendance are expected throughout each year in school so that everyone can take full advantage of the range of curricular and extracurricular opportunities available.

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The success we achieve in the classroom is enhanced by a wide range of enrichment courses which are made available to all students. We encourage everyone to use part of their recreation time for participation in one or more of these opportunities. Clubs and societies, clinics and extra classes are all designed to broaden the experiences of our young people outside of their compulsory curriculum diet.

A full range of individual and team games is offered to boys and girls of all age groups and abilities, with team games represented in District and County competitions. Recreation activities such as fitness programmes, self-defence classes, swimming and aerobics are available to complement the full range of competitive team sports.

We continue a long and successful tradition of Outdoor Education with students involved in sailing, canoeing, climbing and abseiling. Students also have the opportunity to participate in the Duke of Edinburgh Award Scheme.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the Trust are documented and managed using a risk management policy and a risk register which is regularly reviewed.

The main risks are seen as the loss of reputation through failing standards at the academies, falling student numbers, failure to safeguard our students, and failure on high profile school to school support commissions. Key controls in place to mitigate these risks are:

- An organisational structure with clearly defined roles, responsibilities and authorisation levels,
- Documented terms of reference for the committees and sub-committees of the Trust,
- Financial planning, budgeting and regular management reporting highlighting key areas of financial risk,
- Formal written and published policies for employees,
- Vetting procedures as required by legislation for the protection of the vulnerable, and
- Robust due diligence procedures in place for new contracts and commissions.

ACHIEVEMENTS AND PERFORMANCE

The Chief Executive Officer holds National Leader of Education status and this has enabled the Academy to influence the forming of curriculum policy through national engagement at a senior level.

Reviewing the Academy Trusts priorities for the 18 month period, there were areas of great success and outstanding achievements for our staff and students.

- Completion of the new school build project to create an outstanding learning environment with state of the art facilities. This project was fully funded as part of the former Building Schools for the Future programme, it was undertaken as design and build project to the value of approximately £26 million pounds therefore this means the Academy has no private finance initiative liabilities moving forward.

- A successful transition of 1500 students in the new school building. Staff and students were assimilated into the new building promptly and without disruption to learning.

- Successful application for awarding of teaching school status (to commence Sept 2014). As an outstanding academy and teaching school we will work with others to provide high-quality training and development to new and experienced school staff. The teaching school will provide a central role in raising standards by developing a self-improving and sustainable school-led system.

- DFE recognition as an academy sponsor. As a sponsor the Directors will appoint all or the majority of the members and governors of the academy trust which will run each academy school. As a sponsor this will provide a large degree of control in setting and implementing the strategic vision and school improvement plan for the academy trust.

INNOVATION ENTERPRISE ACADEMY
STRATEGIC REPORT
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- Forming of a strategic alliance with partner schools to further enhance school to school support mechanisms. Teaching school alliances are led by a teaching school and include schools that are benefiting from support, as well as strategic partners who lead some aspects of training and development. Strategic partners may include:

- other schools from any phase or sector
- universities
- academy chains
- local authorities
- dioceses
- private sector organisations

Key Performance Indicators

Summary of school attainment with a comparison against national and local data.

	5+ A* - C inc English & Mathematics					5+ A* - C				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Local Authority										
Average**	50%	56%	59%			82%	87%	87%		
England Average***	54%	59%	59%	59%		75%	80%	82%	82%	
Wade Deacon High School	77%	78%	76%	77%	78%*	100%	100%	98%	96%	83%*

	EBACC				
	2010	2011	2012	2013	2014
Local Authority					
Average**	7%	5%	13%		
England Average***	16%	18%	18%	23%	
Wade Deacon High School	9%	7%	24%	33%	47%*

*Maximum of 2 equivalences used for all pupils.

	Expected Level of Progress in English					Expected Level of Progress in Maths				
	2010	2011	2012	2013	2014	2010	2011	2012	2013	2014
Local Authority										
Average**	66%	70%	71%			64%	62%	69%		
England Average***	69%	72%	68%	69%		62%	65%	69%	70%	
Wade Deacon High School	86%	90%	84%	76%	86%	89%	86%	82%	86%	80%

**2010 Figures for LA based on assumed average (2011&12 published figures)

*** All State Funded Mainstream Schools

2012-13

Scope: Whole School

Group	Percentage of sessions				Possible	% Attend
	Presents	AEA	Authorised Absences	Unauthorised Absences		
Whole School	92.9	1.7	4.3	1.1	100	94.6
Totals	92.9	1.7	4.3	1.1	100	94.6

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2013-14

Scope: Whole School

Group	Presents	AEA	Percentage of sessions		Possible	% Attend
			Authorised Absences	Unauthorised Absences		
Whole School	91.5	4	3.4	1.1	100	95.5
Totals	91.5	4	3.4	1.1	100	95.5

Admissions

During the primary to secondary transfer process 2014 the school was heavily oversubscribed with 464 first choice applications received for the schools planned admission number of 300. Following an independent appeals process 9 additional students were admitted to the school.

Year	Pupil Numbers September 2014
7	309
8	300
9	300
10	300
11	300
	1,509

Going Concern

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

Financial Review

The majority of the Trust and Academy income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA in the period ended 31st August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants from the EFA and other organisations. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the period ended 31st August 2014, total expenditure, excluding depreciation, of £12,675,000 was more than covered by recurrent, non capital, grant income from the EFA together with other incoming resources which totalled £13,665,000. The total income for the year was £48,893,000 inclusive of funds transferred upon conversion. The excess of income over expenditure, excluding depreciation and capital grant income, for the period was £990,000. Total funds carried forward amount to £33,954,000. This is in line with the Trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income and expenditure in the period ended 31st August 2014 amounted to £13,000 and £0 respectively.

At 31st August 2014 the net book value of fixed assets amounted to £34,182,000 and movements in fixed assets are shown in note 11 to the financial statements. The cost of fixed asset additions in the period ended 31st August 2014 amounted to £35,747,000.

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FUTURE DEVELOPMENTS

The overall performance in this reporting period was extremely robust and as a consequence will directly reinforce the Trust's medium to long-term strategy. The Trust's main annual objectives for the next year are:

- To facilitate a smooth and effective transition to Academy at West Bank Primary School
- To implement teaching school status with effect from 1st September 2014.
- To build on the excellent reputation of our Academy.
- To grow in line with strategic plan the membership of the MAT
- To strive for continuous improvement in examinations results and all indicators of performance in all of the Trust's academies.
- To increase numbers on roll at West Bank School
- To build adequate financial reserves to fund building and other investment needs

Key to success is the leadership and management of the Trust ensuring that high quality leaders are in place through a rigorous recruitment system and also identifying future leaders within the Academy members and supporting them through to middle and senior leadership opportunities to add to the strengths of the Trust and all its academies.

Excellent standards of behaviour will be maintained to create a well ordered community with learning and the support of students at the heart.

Teaching and learning will continue to have pace, purpose, variety and rigour. Students will be able to progress as a result of a suitable curriculum and relevant personalised programmes of study.

Staff will be confident practitioners with appropriate professional development opportunities. Educational outcomes in all performance indicators will be well above national averages and the Academies will be in the "high performing" category. The strategic development of the Academies will be effectively planned, monitored and supported by well-equipped and committed local governing bodies and the main board of Trustees.

Reserves Policy

The Trustees and Governors review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trusts current level of revenue reserves (total reserves less the amounts held in fixed asset reserves) is £1,458,000. The amount is kept secure for a time when it is needed to self-finance a scheme of major capital projects and the expansion of the Trust.

The Trustees have decided to adopt a prudent approach to reserves and aim to build a group reserve of designated funds of at least 5% of annual income to safeguard against unforeseen circumstances, capital improvements or developments, late EFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the quality of education received at the academies within the Trust.

The current reserve is higher than would normally be expected due to historic savings and a large capital project due for completion in September 2014. This building work is recognised on the financial statements as Assets under construction in the fixed assets note. The reserves will also be used to finance further construction work and to support work needed in future partner schools.

In addition the net liability due to the Trusts participation in the Local Government Pension Scheme (LGPS) amounts to £1,236,000. 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. This guarantee provides comfort to the Trustees in the unlikely event of an academy closure.

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Investment Policy

In accordance with the Articles of Association, the directors can deposit or invest funds not immediately required. It has been decided that cash balances are to be safeguarded by investing them in interest bearing current and deposit accounts with a recognised sound commercial bank, HSBC.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The main financial risks are mitigated through the employment of sound financial management and internal control processes. Balanced budgets are set for each of the academies within the Trust and limited budgets are further delegated to departments and faculties. Actual performance against agreed budgets is closely monitored by the Trust's central finance team and via regular (termly) meetings of the finance committee of each LGB.

Bank and cash reconciliations are carried out routinely and signed by the authorised officers of the Trust's central finance team. All orders and cheques are signed off by the finance team with appropriate segregation of duties in place. Fixed asset registers are in place and there are processes in place for the acquisition, adaptation and disposal of assets. Payroll is outsourced and checked by more than one individual each month. The appropriateness and integrity of internal controls is assessed and reported to the Trustees by the responsible officer and external auditors.

The security of data is administered by an in house team of IT professionals. Remaining risks are mitigated to a large extent via comprehensive insurance policies.

Approved by order of the board of trustees on 16 December 2014 and signed on its behalf by:


.....
K. Hann Trustee

INNOVATION ENTERPRISE ACADEMY
REPORT OF THE TRUSTEES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 1 March 2013 to 31 August 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

COMMENCEMENT OF ACTIVITIES

Certificate of Incorporation 2nd November 2012.

Multi Academy Trust operational from 1st March 2013

For the period 1st March 2013 to 31st August 2014 the trust operated as an academy for pupils aged 11 to 16, predominantly serving the town of Widnes in the borough of Halton. It has a planned pupil capacity of 1500 and had a single registration roll of 1509 in the Autumn 2014 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Directors undertake the strategic review of the Academy Trust and powers are delegated to local Governing Bodies.

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 ceased 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

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Professional indemnity insurance is in place to protect Trustees, Governors, and officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

Principal activities

The principal objective of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies, offering a broad and balanced curriculum. In setting the Trusts objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Recruitment and appointment of new trustees

Consideration is given to the skills of Directors and Governors which would enhance the effectiveness of the Trust in line with the articles of association.

The appointment of Directors may be made by the Members passing a resolution as contained within the articles of association

With regards to the appointment of parent and staff governors, procedures are in place for their nomination, election and appointment.

INNOVATION ENTERPRISE ACADEMY
REPORT OF THE TRUSTEES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New Trustees are inducted into the workings of the Academy, including policies and procedures, together with an appropriate training schedule depending upon their existing area of expertise.

Organisational structure

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust and Academies by the use of financial management information, making strategic decisions about the direction of the Trust and capital expenditure, making senior appointments, and approving the Annual Report and Financial Statements.

The Directors and Chief Executive Officer delegate the leadership and management of the Trust to the Executive Principal and the Executive Management Team (EMT). The EMT currently consists of the Executive Principal, Principal Head of School, Vice Principal and School Business and Finance Officer.

As at 31st August the MAT consists on a single academy but it is intended that the he EMT will delegate responsibilities to the Senior Leadership Team (SLT) of each Academy. The SLT, as appropriate to each Academy, consisting of Principals, Vice Principals, Assistant Principals and Business Manager (or equivalent post). These leaders control the Trust and Academies at an executive level implementing the policies laid down by the Directors & Governing Bodies and reporting back to them. As a group the SLT is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts in the Executive team will be required to contain Directors.

The management teams will include the EMT, the SLT at each academy in the Trust, faculty leaders and administration and support managers. These managers are responsible for the day to day operation of the Trust and the Academies, in particular organising the staff (teaching and non-teaching), facilities and students.

The Academy Board will meet at least each term with an appropriate meeting in each academic being used to hold the annual general meeting following the submission of accounts.

Local Governing bodies and committees meet on at least a termly basis and report relevant decisions to the Academy Board which ratifies appropriate decisions.

Roles and responsibilities of Trustees, governors, and senior managers are defined in the relevant Terms of Reference and Academy Scheme of Delegation.

Wider network

The Academy holds teaching school status and engages with a wider strategic alliance with partner schools to further the development of the teaching school and school to school support.

Risk management

The Trustees have assessed the major risks to which the Trust and the Academies are exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimize risk. Where significant financial risk still remains they have ensured that they have adequate insurance cover.

INNOVATION ENTERPRISE ACADEMY
REPORT OF THE TRUSTEES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

Risk management

The key controls used by the Trust include:

- Formal agendas for all Directors and Governing Body including sub-committee meetings,
- Detailed and documented terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and clear lines of accountability and reporting,
- Formal written policies,
- Clear authorisation and approval levels,
- Vetting procedures as required by legislation,
- Reporting systems
- Independent assurance provided for Audit & Finance and Health & Safety

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main objectives of the summarised below:

- To facilitate a smooth transition to Academy status
- To raise the standard of educational achievements of all pupils in the Trust's academies
- To ensure that every child enjoys the same high quality education in terms of resourcing, teaching and learning
- To improve the effectiveness of the Academies by keeping the curriculum and organisational structures under continual review
- To comply with all appropriate statutory and curriculum requirements
- To provide value for money for the funds expended
- To conduct the Trust and Academy business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The Trusts' main strategy is to develop and maintain a culture of excellence across our organisation that continues to provide opportunities for our students.

Wade Deacon High School converted to 'academy' status in March 2013, founding the Innovation Enterprise Academy trust. This status was adopted because of our quest to continually improve the quality of learning and teaching for the benefit of all students. In addition, we are committed to training and the life-long learning of all our members of staff and the community.

Students and staff work side-by-side with the latest technological developments to enhance further the quality of our teaching and learning. We help students to develop real life solutions to real life problems, using industry standard equipment to achieve their goals.

As a major contributor to the concept of lifelong learning, we are a school that makes a difference within our community. We achieve this by engaging in collaborative projects with our community partners and sharing our resources with them.

Throughout school, students are encouraged to take pride in themselves, their actions and their achievements. We have high expectations of students' academic work and the manner in which they conduct themselves around the school campus and in the community beyond. An orderly and disciplined environment is a key feature of our work in school. The success of this is based on promoting and maintaining excellent standards of self-discipline, school uniform and the promotion of a sense of pride and belonging to our school.

High levels of attendance are expected throughout each year in school so that everyone can take full advantage of the range of curricular and extracurricular opportunities available.

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REPORT OF THE TRUSTEES
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Objectives, Strategies and Activities

Levels of attainment are most easily raised when students attend all lessons, allowing continuity of the teaching and learning environment.

Regular extended learning is an integral part of the learning culture of the school. Tasks set are intended to broaden and develop an individual's scope for independent learning as well as reinforcing work completed during the school day.

Public benefit

The Trust's purpose is to advance, for public benefit, education as described in principal activities above. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

AUDITORS

The auditors, Howard Worth, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 16 December 2014 and signed on its behalf by:



I Hann - Trustee

INNOVATION ENTERPRISE ACADEMY
GOVERNANCE STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Innovation Enterprise Academy 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the Executive Principal, 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 Innovation Enterprise Academy 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 5 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
I Hann	5	5
J K Woodroffe	5	5
C McLeod	5	5
Mrs L Scott	5	5

Governing Body Attendance (Committee & Full Governors)

	Meetings attended	Out of a possible	Meetings attended	Out of a possible
	Full Governors		Finance & Audit Committee	
Mr J.Woodroffe	5	5	4	4
Mr I. Hann	5	5	4	4
Mrs P. A. Wright	4	5	4	4
Mr C. McLeod	5	5	4	4
Mrs L. Scott	5	5	4	4
Mrs P. Jones	4	5	4	4
Mrs C. Fone	5	5	4	4
Mr R. Wilde	4	5	3	4
Mr A. Brothers	4	5	4	4
Mr J. Hockenhull	2	5	2	4
Mr D. Findon	5	5	4	4
Mr B. Fisher	5	5	4	4

The Finance & Audit Committee which is a committee of the Governing Body, is responsible for overseeing the financial affairs of the Academy and reporting to the Governing Body. The Finance & Audit Committee meets at least once a term or more frequently should the need arise.

The main responsibilities and issues dealt with during the period were as follows:

- The initial review and authorisation of the annual budget;
- The regular monitoring of actual expenditure and income against budget;
- Ensuring the annual financial statements are produced in accordance with the requirements of the Companies Act 2006, the Charities SORP, the Academies Accounts Direction and other guidance issued by the EFA;
- Ensuring that all of the financial returns required by the EFA are correctly prepared and submitted on time;

INNOVATION ENTERPRISE ACADEMY
GOVERNANCE STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

- Capital project monitoring, procurement and reporting;
- Authorising changes to the Academy's personnel establishment;
- Reviewing the reports of the Responsible officer on the effectiveness of the financial procedures and internal controls, which are also reported to the full Governing Body.

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 charitable company 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 Innovation Enterprise Academy for the period 1 March 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company 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 charitable company's significant risks that has been in place for the period 1 March 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 governing body;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, Governors have appointed David Findon, who is a member of the Audit & Finance Committee, to undertake the role of Responsible Officer (RO). Reports provided by David Findon are shared with the Finance & Audit Committee as well as the main board of Governors, and any actions required are agreed through this Committee. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

Review of Effectiveness

As accounting officer, Mrs L Fox has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:-

- The work of the Responsible Officer;
- 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.

INNOVATION ENTERPRISE ACADEMY
GOVERNANCE STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

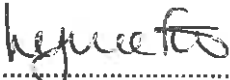
Review of Effectiveness

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

Approved by order of the members of the board of trustees on 16 December 2014 and signed on its behalf by:



I Hann - Trustee



Lynne Fox - Accounting Officer


INNOVATION ENTERPRISE ACADEMY

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

As accounting officer of Innovation Enterprise Academy I have considered my responsibility to notify the charitable company 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 charitable company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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.



.....
Lynne Fox - Accounting Officer

Date: 16 December 2014

INNOVATION ENTERPRISE ACADEMY

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

The trustees (who act as governors of Innovation Enterprise Academy 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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;
- 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 16 December 2014 and signed on it's behalf by:


I Harro - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INNOVATION ENTERPRISE ACADEMY

We have audited the financial statements of Innovation Enterprise Academy for the period ended 31 August 2014 on pages twenty one to forty five. 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 2013 to 2014 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 seventeen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 charitable company'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 Strategic Report and 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 charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2013 to 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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
INNOVATION ENTERPRISE ACADEMY**

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.



Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Date: 16 December 2014

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

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 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Innovation Enterprise Academy during the period 1 March 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Innovation Enterprise Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Innovation Enterprise Academy 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 Innovation Enterprise Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Innovation Enterprise Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Innovation Enterprise Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by 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 matter 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 charitable company's income and expenditure.

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 March 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Howard Worth
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Date: 16 December 2014

**INNOVATION ENTERPRISE ACADEMY
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME & EXPENDITURE ACCOUNT)
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

	Notes	Unrestricted fund £'000	Restricted funds £'000	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 Total funds £'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income - Transfer from Local Authority on conversion		-	35,169	35,169	-
Activities for generating funds	2	11	-	11	-
Investment income	3	2	-	2	-
Incoming resources from charitable activities					
Academy's educational operations	4	-	13,711	13,711	-
Total incoming resources		13	48,880	48,893	-
RESOURCES EXPENDED					
Charitable activities					
Academy's educational operations		-	14,228	14,228	-
Governance costs	7	-	12	12	-
Total resources expended	5	-	14,240	14,240	-
NET INCOMING RESOURCES					
		13	34,640	34,653	-
Other recognised gains/losses					
Actuarial losses on defined benefit schemes	18	-	(699)	(699)	-
Net movement in funds		13	33,941	33,954	-
RECONCILIATION OF FUNDS					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		13	33,941	33,954	-

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

INNOVATION ENTERPRISE ACADEMY
REGISTERED COMPANY NUMBER: 08278808 (England and Wales)
BALANCE SHEET
AT 31 AUGUST 2014


	Notes	Unrestricted fund £'000	Restricted funds £'000	31/8/14 Total funds £'000	28/2/13 Total funds £'000
FIXED ASSETS					
Tangible assets	11	-	34,182	34,182	-
CURRENT ASSETS					
Debtors	12	-	125	125	-
Cash at bank		<u>13</u>	<u>1,514</u>	<u>1,527</u>	<u>-</u>
		13	1,639	1,652	-
CREDITORS					
Amounts falling due within one year	13	-	(349)	(349)	-
		<u>13</u>	<u>1,290</u>	<u>1,303</u>	<u>-</u>
NET CURRENT ASSETS					
		13	35,472	35,485	-
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	14	-	(295)	(295)	-
PENSION LIABILITY					
	18	-	(1,236)	(1,236)	-
		<u>13</u>	<u>33,941</u>	<u>33,954</u>	<u>-</u>
NET ASSETS					
FUNDS					
	17				
Unrestricted funds:					
General fund				13	-
Restricted funds:					
DfR/EFA Capital grants				33,732	-
Other DfE/EFA grants				1,004	-
General annual grant				441	-
Pension reserve				<u>(1,236)</u>	<u>-</u>
				<u>33,941</u>	<u>-</u>
TOTAL FUNDS					
				<u>33,954</u>	<u>-</u>

The notes form part of these financial statements

INNOVATION ENTERPRISE ACADEMY

**BALANCE SHEET - CONTINUED
AT 31 AUGUST 2014**

The financial statements were approved by the Board of Trustees on 16 December 2014 and were signed on its behalf by:


I Hann - Trustee

The notes form part of these financial statements

INNOVATION ENTERPRISE ACADEMY
CASH FLOW STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

	Notes	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Net cash inflow from operating activities	1	1,087	-
Cash transferred on conversion to an academy		967	-
Returns on investments and servicing of finance	2	1	-
Capital expenditure and financial investment	2	(380)	-
		<u>1,675</u>	-
Financing	2	(160)	-
		<u>1,515</u>	-
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		1,515	-
Cash inflow from increase in debt and lease financing		<u>(409)</u>	-
Change in net debt resulting from cash flows		<u>1,106</u>	-
Movement in net debt in the period		1,106	-
Net debt at 1 March		<u>-</u>	<u>-</u>
Net debt at 31 August		<u>1,106</u>	<u>-</u>

The notes form part of these financial statements

INNOVATION ENTERPRISE ACADEMY
NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Net incoming resources	34,653	-
Depreciation charges	1,565	-
Transfer from Local Authority on conversion	(35,169)	-
Interest received	(2)	-
Finance costs	1	-
Increase in debtors	(125)	-
Increase in creditors	164	-
Net cash inflow from operating activities	<u>1,087</u>	<u>-</u>

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

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Returns on investments and servicing of finance		
Interest received	2	-
Finance costs	(1)	-
Net cash inflow for returns on investments and servicing of finance	<u>1</u>	<u>-</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(380)	-
Net cash outflow for capital expenditure and financial investment	<u>(380)</u>	<u>-</u>
Financing		
Loan repayments in year	(160)	-
Net cash outflow from financing	<u>(160)</u>	<u>-</u>

INNOVATION ENTERPRISE ACADEMY
NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/3/13 £'000	Cash flow £'000	At 31/8/14 £'000
Net cash:			
Cash at bank	-	1,527	1,527
Bank overdrafts	<u>-</u>	<u>(12)</u>	<u>(12)</u>
	<u>-</u>	<u>1,515</u>	<u>1,515</u>
Debt:			
Debts falling due within one year	-	(114)	(114)
Debts falling due after one year	<u>-</u>	<u>(295)</u>	<u>(295)</u>
	<u>-</u>	<u>(409)</u>	<u>(409)</u>
Total	<u>-</u>	<u>1,106</u>	<u>1,106</u>

INNOVATION ENTERPRISE ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the academy trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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.

Assets transferred on conversion to an academy trust

On conversion the company received a transfer of assets from Halton Borough Council. The following assets have been received.

Leasehold land & buildings - the land & buildings have been transferred on a 125 year lease. The construction of the building was completed in 2013, hence the value transferred is the actual build cost. The land has been valued at open market value.

Equipment, furniture & fittings - the assets were on the whole new, these assets have been transferred at cost. Legacy items have been transferred at replacement cost after allowing for their age and condition.

Cash balances - the cash balances have been recognised at the value of the amount transferred.

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

1. ACCOUNTING POLICIES - continued

Resources expended

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

Long leasehold	- 2% on cost
Assets under construction	- not provided
Plant and machinery	- 20% on cost and 10% on cost
Computer equipment	- 20% on cost and 10% on cost

Assets costing £500 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 trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

1. ACCOUNTING POLICIES - continued

Taxation

The academy trust 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 trust 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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust 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 18, 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.

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

2. ACTIVITIES FOR GENERATING FUNDS

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Hire of facilities	<u>11</u>	<u>-</u>

3. INVESTMENT INCOME

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Deposit account interest	<u>2</u>	<u>-</u>

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

	Unrestricted funds £'000	Restricted funds £'000	Period 1/3/13 to 31/8/14 Total funds £'000	Period 2/11/12 to 28/2/13 Total funds £'000
Other education income	-	27	27	-
Teacher training income	-	23	23	-
Professional services income	-	40	40	-
Grants	<u>-</u>	<u>13,621</u>	<u>13,621</u>	<u>-</u>
	<u>-</u>	<u>13,711</u>	<u>13,711</u>	<u>-</u>

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

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

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	Period 1/3/13 to 31/8/14 Total funds £'000	Period 2/11/12 to 28/2/13 Total funds £'000
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	12,656	12,656	-
Other DfE/EFA grants	<u>906</u>	<u>906</u>	<u>906</u>	<u>-</u>
	-	13,562	13,562	-
DfE/EFA capital grant				
EFA Capital grant	-	59	59	-
	<u>-</u>	<u>59</u>	<u>59</u>	<u>-</u>
	<u>-</u>	<u>13,621</u>	<u>13,621</u>	<u>-</u>

5. RESOURCES EXPENDED

	Staff costs £'000	Non-pay expenditure Premises £'000	Other costs £'000	Period 1/3/13 to 31/8/14 Total £'000	Period 2/11/12 to 28/2/13 Total £'000
Charitable activities					
Academies educational operations					
Direct costs	8,316	861	1,607	10,784	-
Allocated support costs	<u>1,537</u>	<u>786</u>	<u>1,121</u>	<u>3,444</u>	<u>-</u>
	9,853	1,647	2,728	14,228	-
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>	<u>-</u>
	<u>9,853</u>	<u>1,647</u>	<u>2,740</u>	<u>14,240</u>	<u>-</u>

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

5. RESOURCES EXPENDED - continued

Net resources are stated after charging/(crediting):

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Auditors' remuneration	8	-
Depreciation - owned assets	1,565	-
Hire of plant and machinery	21	-
Other operating leases	<u>177</u>	<u>-</u>

6. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Direct costs - academy's educational operations		
Teaching and educational support staff	8,316	-
Depreciation	1,565	-
Educational supplies	304	-
Examination fees	222	-
Staff development	55	-
Goods and services	262	-
Other direct costs	<u>60</u>	<u>-</u>
	10,784	-
Allocated support costs - academy's educational operations		
Support staff costs	1,537	-
Technology costs	261	-
Recruitment and support	65	-
Maintenance of premises and equipment	282	-
Cleaning	42	-
Rent and rates	140	-
Energy costs	185	-
Insurance	108	-
Security and transport	30	-
Catering	232	-
Legal and professional fees	84	-
Lease of equipment	138	-
Other support costs	<u>340</u>	<u>-</u>
	<u>3,444</u>	<u>-</u>
	<u>14,228</u>	<u>-</u>

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

7. GOVERNANCE COSTS

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Accountancy	2	-
Auditors' remuneration	8	-
Training	<u>2</u>	<u>-</u>
	<u>12</u>	<u>-</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 August 2014 nor for the period ended 28 February 2013.

Trustees' expenses

There were no trustees' expenses paid for the period ended 31 August 2014 nor for the period ended 28 February 2013.

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

9. STAFF COSTS

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Wages and salaries	8,044	-
Social security costs	574	-
Other pension costs	<u>1,115</u>	<u>-</u>
	9,733	-
Supply teacher costs	66	-
Other staff costs	16	-
External tutors	<u>38</u>	<u>-</u>
	<u>9,853</u>	<u>-</u>

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

	Period 1/3/13 to 31/8/14	Period 2/11/12 to 28/2/13
Teachers	122	-
Administration & support	42	-
Management	<u>16</u>	<u>-</u>
	<u>180</u>	<u>-</u>

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

	Period 1/3/13 to 31/8/14	Period 2/11/12 to 28/2/13
£60,001 - £70,000	3	-
£130,001 - £140,000	<u>1</u>	<u>-</u>
	<u>4</u>	<u>-</u>

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,085. The cost of this insurance is included in the total insurance cost.

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

11. TANGIBLE FIXED ASSETS

	Long leasehold £'000	Assets under construction £'000	Plant and machinery £'000	Computer equipment £'000	Totals £'000
COST					
Additions	<u>32,634</u>	<u>244</u>	<u>1,687</u>	<u>1,182</u>	<u>35,747</u>
 DEPRECIATION					
Charge for year	<u>861</u>	<u>-</u>	<u>444</u>	<u>260</u>	<u>1,565</u>
 NET BOOK VALUE					
At 31 August 2014	<u>31,773</u>	<u>244</u>	<u>1,243</u>	<u>922</u>	<u>34,182</u>
At 28 February 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/14 £'000	28/2/13 £'000
Other debtors	32	-
VAT	<u>93</u>	<u>-</u>
	<u>125</u>	<u>-</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/14 £'000	28/2/13 £'000
Bank loans and overdrafts (see note 16)	12	-
Other loans (see note 16)	114	-
Trade creditors	57	-
Other creditors	57	-
Accruals and deferred income	48	-
Accrued expenses	<u>61</u>	<u>-</u>
	<u>349</u>	<u>-</u>

The loan represents the value of the remaining payments for a contribution by the school to the cost of the ICT assets agreed at conversion. The agreement for the ICT contribution is in the form of an SLA between the Innovation Enterprise Academy and Halton Borough Council.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/8/14 £'000	28/2/13 £'000
Other loans (see note 16)	<u>295</u>	<u>-</u>

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

15. LOANS

An analysis of the maturity of loans is given below:

	31/8/14 £'000	28/2/13 £'000
Amounts falling due within one year on demand:		
Bank overdraft	12	-
Other loans	<u>114</u>	<u>-</u>
	<u>126</u>	<u>-</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>114</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>181</u>	<u>-</u>

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	31/8/14 £'000	28/2/13 £'000
Other operating leases		
Expiring:		
Between one and five years	<u>41</u>	<u>-</u>

17. MOVEMENT IN FUNDS

	At 1/3/13 £'000	Net movement in funds £'000	At 31/8/14 £'000
Unrestricted funds			
General fund	-	13	13
Restricted funds			
DfR/EFA Capital grants	-	33,732	33,732
Other DfE/EFA grants	-	1,004	1,004
General annual grant	-	441	441
Pension reserve	<u>-</u>	<u>(1,236)</u>	<u>(1,236)</u>
	<u>-</u>	<u>33,941</u>	<u>33,941</u>
TOTAL FUNDS	<u>-</u>	<u>33,954</u>	<u>33,954</u>

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	13	-	-	13
Restricted funds				
DfR/EFA Capital grants	35,297	(1,565)	-	33,732
Other DfE/EFA grants	1,457	(453)	-	1,004
General annual grant	12,656	(12,215)	-	441
Pension reserve	<u>(530)</u>	<u>(7)</u>	<u>(699)</u>	<u>(1,236)</u>
	48,880	(14,240)	(699)	33,941
	-----	-----	-----	-----
TOTAL FUNDS	<u>48,893</u>	<u>(14,240)</u>	<u>(699)</u>	<u>33,954</u>

Nature of material funds

General fund

Represents amounts derived from the hire of facilities and investment income.

General Annual Grant

This represents the balance remaining from core funding provided by the EFA for the schools core educational activities.

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 2014.

Pension Reserve

This is the Local Government Pension Scheme deficit attributable to the school and is derived from the report of the actuary produced as at 31st August 2014.

DfE/EFA Capital Grant

This represents the value of fixed assets purchased from specific capital grants. The assets underlying the fund are the school's furniture, fixtures & fittings and computer equipment.

Other DfE/EFA Grant

This represents the balance remaining from other funding provided by the EFA/DfE for the schools educational activities.

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

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 Cheshire West & Chester Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 August 2013. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts.

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

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

18. PENSION AND SIMILAR OBLIGATIONS - continued

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

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

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

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 period ended 31 August 2014 was £383,000 of which employer's contributions totalled £303,000 and employees' contributions totalled £80,000. The agreed contribution rates for future years are 18.4 per cent for employers and 5.5 to 7.5 per cent for employees.

Financial assumptions

Principal actuarial assumptions at the balance sheet date:

	31/8/14 % p.a	31/8/13 % p.a
Inflation/pension increase rate	2.7%	2.8%
Salary increase rate	3.5%	5.1%
Expected return on assets	5.2%	5.9%
Discount rate	3.7%	4.6%

Breakdown of expected return by category of assets

	31/8/14 % p.a	31/8/13 % p.a
Equities	6.3%	6.6%
Bonds	3.4%	3.5%
Property	4.5%	4.7%
Cash	3.3%	3.6%

Mortality

Life expectancy is based on the SAPS year of birth tables, with improvements in line with the Medium Cohort and a 1.25% p.a underpin from 2007. Mortality loadings were applied to the SAPS tables based on membership class. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.3 years	24.4 years
Future pensioners	24.1 years	26.7 years

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

18. PENSION AND SIMILAR OBLIGATIONS - continued

Historic mortality

Life expectancies for the prior period end are based on the SAPS tables. The allowance for future life expectancies are shown below.

Period ended	Prospective Pensioners	Pensioners
	year of birth, medium cohort and 1% p.a minimum improvements from 2007	year of birth, medium cohort and 1% p.a minimum improvements from 2007
31st August 2013		

Mortality loadings are applied to the SAPS tables based on membership class.

Please note that the mortality assumptions are identical to those used in the previous accounting period.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

Analysis of projected amount to be charged to the SOFA for the year to 31st August 2015

	31/8/15 £'000	31/8/15 % of pay
Projected current service cost	303	25.9%
Interest obligation	133	11.3%
Expected return on employer assets	<u>(121)</u>	<u>(10.3)</u>
Total	<u>315</u>	<u>26.9%</u>

The employers contribution for the year to 31st August 2015 is expected to be approximately £242,000.

Employee benefit obligations

Fair value of employer assets

	31/8/14 £'000	31/3/13 £'000
Equities	1,310	1,511
Bonds	458	262
Property	153	121
Cash	<u>262</u>	<u>121</u>
Total	<u>2,183</u>	<u>2,015</u>

The above asset values at 31st August 2014 are at a bid value as required under FRS 17.

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

18. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the balance sheet are as follows:

	31/8/14 £'000	31/8/13 £'000
Fair value of employer assets	2,183	2,015
Present value of funded liabilities	<u>(3,419)</u>	<u>(2,536)</u>
Net under funded plans	(1,236)	(521)
Present value of unfunded liabilities	-	-
Unrecognised past service costs	<u>-</u>	<u>-</u>
Amount included in the balance sheet as liabilities	<u>(1,236)</u>	<u>(521)</u>
Net liabilities	<u>(1,236)</u>	<u>(521)</u>

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

Recognition in the profit or loss

	31/8/14	31/8/14	31/8/13	31/8/13
	£'000	% of pay	£'000	% of pay
Current service cost	258	23.6%	104	22.6%
Interest cost	124	11.3%	55	12.0%
Expected return on employer assets	(127)	(11.6%)	(49)	(10.7%)
Past service costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>255</u>	<u>23.3%</u>	<u>110</u>	<u>23.9%</u>

Actual return on plan assets 276 67

The service cost figures include an allowance for administration expenses of 0.4%.

Reconciliation of defined benefit obligation:

	31/8/14 £'000	31/8/13 £'000
Opening defined benefit obligation	2,536	2,349
Current service cost	258	104
Interest cost	124	55
Contributions by members	66	28
Actuarial (gains)/ losses	451	-
Estimated benefits paid	<u>(16)</u>	<u>-</u>
Closing defined benefit obligation	<u>3,419</u>	<u>2,536</u>

INNOVATION ENTERPRISE ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

18. PENSION AND SIMILAR OBLIGATIONS - continued

Reconciliation of fair value of employer assets:

	31/8/14 £'000	31/8/13 £'000
Opening fair value of employer assets	2,015	1,810
Expected return on assets	127	49
Contributions by members	66	28
Contributions by the employer	248	110
Actuarial gains/(losses)	(257)	18
Benefits paid	<u>(16)</u>	<u>-</u>
Closing fair value of employer assets	<u>2,183</u>	<u>2,015</u>
	<u>100%</u>	
	<u>100%</u>	

Amounts for the current and previous accounting periods

	31/8/14 £'000	31/8/13 £'000
Fair Value of Employer Assets	2,183	2,015
Present Value of Defined Benefit Obligation	(3,419)	(2,536)
Surplus/(Deficit)	(1,236)	(521)
Experience Gains/(Losses) on Assets	(257)	18
Experience Gains/(Losses) on Liabilities	(478)	-

	31/8/12 £'000	31/8/11 £'000	31/8/10 £'000
Fair Value of Employer Assets	-	-	-
Present Value of Defined Benefit Obligation	-	-	-
Surplus/(Deficit)	-	-	-
Experience Gains/(Losses) on Assets	-	-	-
Experience Gains/(Losses) on Liabilities	-	-	-

Amounts recognised in Statement of Total Recognised Gains & Losses

	31/8/14 £'000	31/8/13 £'000
Actuarial Gains/(Losses)	(708)	18
Increase in Irrecoverable Surplus from Membership fall & other factors	-	-
Actuarial Gains/(Losses) recognised in STRGL	<u>(708)</u>	<u>18</u>
Cumulative Actuarial Gains and Losses	<u>(690)</u>	<u>18</u>

On conversion the cumulative actuarial gains were £9,000. The actuarial loss since the date of conversion is £699,000, with the cumulative loss being £690,000.

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

18. PENSION AND SIMILAR OBLIGATIONS - continued

Increase in Irrecoverable Surplus from Membership fall & other factors

	31/8/12 £'000	31/8/11 £'000	31/8/10 £'000
Actuarial Gains/(Losses)	-	-	-
Increase in Irrecoverable Surplus from Membership fall & other factors	-	-	-
Actuarial Gains/(Losses) recognised in STRGL	-	-	-
	-	-	-

Unfunded benefits

There were no unfunded benefits at 31 August 2014.

Bulk transfers

No allowance has been made for any bulk transfer in the accounting period.

19. 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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

This page does not form part of the statutory financial statements

INNOVATION ENTERPRISE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

20. CONVERSION TO AN ACADEMY TRUST

On 1 March 2013 the Wade Deacon High School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Innovation Enterprise Academy from the Halton Borough Council Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total £'000
Tangible fixed assets				
- Leasehold land and buildings	-	-	32,435	32,435
- Other tangible fixed assets	-	-	2,302	2,302
Budget surplus on LA funds	-	962	-	962
LGPS pension deficit	-	(530)	-	(530)
Net assets	-	432	34,737	35,169

The above net assets include £1,132,304 that was transferred as cash. The other tangible fixed assets transfer value is net of the ICT contribution of £570,000 agreed with Halton Borough Council at the date of transfer.

21. CAPITAL COMMITMENTS

At 31 August 2014 the school had a capital commitment of £177,000 in relation to the completion of the remodelling of the art block.

INNOVATION ENTERPRISE ACADEMY

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
INCOMING RESOURCES		
Voluntary income - Transfer from Local Authority on conversion	35,169	-
Activities for generating funds		
Hire of facilities	11	-
Investment income		
Deposit account interest	2	-
Incoming resources from charitable activities		
Other education income	27	-
Teacher training income	23	-
Professional services income	40	-
Grants	<u>13,621</u>	<u>-</u>
	<u>13,711</u>	<u>-</u>
Total incoming resources	48,893	-
RESOURCES EXPENDED		
Charitable activities		
Wages	6,789	-
Social security	512	-
Pensions	895	-
Supply teacher costs	66	-
Other staff costs	16	-
External tutors	38	-
Vehicle hire	21	-
Hire of equipment	39	-
Educational supplies	304	-
Examination fees	222	-
Staff development	55	-
Goods and services	262	-
Long leasehold depreciation	861	-
Carried forward	10,080	-

This page does not form part of the statutory financial statements

INNOVATION ENTERPRISE ACADEMY

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014**

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Charitable activities		
Brought forward	10,080	-
Furniture & equipment depreciation	444	-
Computer equipment depreciation	260	-
Expected return on pension scheme assets	(152)	-
Interest on pension scheme liabilities	<u>152</u>	<u>-</u>
	10,784	-
Governance costs		
Accountancy	2	-
Auditors' remuneration	8	-
Training	<u>2</u>	<u>-</u>
	12	-
Support costs		
Management		
Wages	567	-
Social security	36	-
Pensions	109	-
Security and transport	29	-
Consultancy	118	-
Marketing & advertising	23	-
Printing, postage & stationery	93	-
Telephone	16	-
Staff uniforms	7	-
Support staff training	17	-
Legal and professional	84	-
Lease of equipment	138	-
Other support costs	<u>66</u>	<u>-</u>
	1,303	-
Information technology		
Wages	338	-
Social security	19	-
Pensions	57	-
Technology costs	<u>261</u>	<u>-</u>
	675	-
Human resources		
Recruitment and support	<u>65</u>	<u>-</u>
	65	-

This page does not form part of the statutory financial statements

INNOVATION ENTERPRISE ACADEMY
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD 1 MARCH 2013 TO 31 AUGUST 2014

	Period 1/3/13 to 31/8/14 £'000	Period 2/11/12 to 28/2/13 £'000
Property costs		
Wages	350	-
Social security	7	-
Pensions	54	-
Maintenance of premises and equipment	282	-
Cleaning	42	-
Rent and rates	140	-
Energy costs	185	-
Insurance	<u>108</u>	<u>-</u>
	1,168	-
Catering		
Catering costs	221	-
Staff duty meals	<u>11</u>	<u>-</u>
	232	-
Finance		
Bank charges	<u>1</u>	<u>-</u>
Total resources expended	14,240	-
	<u> </u>	<u> </u>
Net income	<u><u>34,653</u></u>	<u><u>-</u></u>

This page does not form part of the statutory financial statements