

NORTH SUFFOLK SKILLS ACADEMY LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

NORTH SUFFOLK SKILLS ACADEMY LIMITED
(A company limited by guarantee)

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NORTH SUFFOLK SKILLS ACADEMY LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Governors Angelo Goduti, Member, Headteacher & Accounting Officer
Zoe Sprake, Member, Chair of Governors
Mark Attenburrow (resigned 31 August 2015)
Janice Wright (resigned 10 September 2015)
Simon Linger (appointed 10 September 2015)

Company registered number 08594430

Registered office Harrisons Lane
Halesworth
Suffolk
IP19 8PY

Company secretary Lynn Eldrett

Independent auditors Larking Gowen
Chartered Accountants
1 Claydon Business Park
Great Blakenham
Ipswich
Suffolk
IP6 0NL

Bankers Lloyds Bank
19 Hall Quay
Great Yarmouth
Norfolk
NR30 1HH

Solicitors Eversheds LLP
One Wood Street
London
EC2V 7WS

NORTH SUFFOLK SKILLS ACADEMY LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors present their annual report together with the financial statements and auditor report of the Charitable Company, a wholly-owned subsidiary of Bungay High School, the North Suffolk Skills Academy (NSSA) for the year ending 31 August 2015.

The financial statements have been prepared in accordance with the accounting policies on pages 17 to 19 of the attached financial statements, and comply with the Charitable Company's memorandum and articles of association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 (SORP 2005).

Structure, governance and management

CONSTITUTION

The Charitable Company 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 Governors act as the Trustees for the charitable activities of the NSSA and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Bungay High School and it opened as an Academy on 1 August 2011 under company number 07698578. The NSSA is a wholly-owned subsidiary under company number 08594430 having been granted permission from the Education Funding Agency. The NSSA's activities meet the charitable objectives of Bungay High School as defined in the Articles of Association.

Details of the Governors who served throughout the period except as noted are included in the Reference and Administration page on page 1.

METHOD OF APPOINTMENT OR ELECTION OF GOVERNORS

The management of the company is the responsibility of the Governors who are appointed under the terms of the articles of association. (See list on page 1). Governors are subject to retirement after a term of 4 years. After the term they may, if still eligible, be reappointed or re-elected.

All new Governors are given a tour of the NSSA and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be informal and tailored specifically to the individual.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

New Governors meet with the Board, to discuss the role in general and any specific skills they feel they have to offer.

Safeguarding is paramount and any new Governor must have or undergo an up-to-date DBS certificate (this to be entered on the Academy's central record). All Governors receive Safeguarding training at least every three years, the Chairman and Child Protection/Safeguarding Governor every two years. All such training is up to date during the year ending August 2015.

Details and background are given regarding the Charitable Company and its staff. The Induction Pack is discussed and considered and Governors also receive guidance on visiting the Academy. As stated above, induction is tailored to the individual; their needs in terms of training are considered and these may be met by the Local Authority training programme, particularly the course entitled, 'How Do I Start?' Other courses are suggested / recommended as appropriate. New Governors are also assigned a mentor for closer contact, advice and guidance, although in general any of the more experienced Governors are very willing to give support.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Where necessary induction will provide training on charity and educational legal and financial matters. The Charitable Company continues to procure Governor Training services from Schools' Choice, the Local Authority provider. Governors fill in a self-evaluation form to keep a record of their expertise, training and areas of interest.

During the period under review the NSSA Governors met formally five times, and reports of these meetings and relevant information were circulated and discussed at the Main BHS Governors meetings.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Governors are responsible for setting general policy, adopting an annual plan and budget, setting and monitoring the NSSA financial outturn by the use of budgets and making major decisions about the direction of the NSSA, capital expenditure and steering. Sub-Committees have delegated responsibilities as follows:

Committees:

Strategic Group (day to day delivery of courses)

Providers Group (providers review delivery, marketing, use of the building)

Users Group (Representation from schools and College sending students to the NSSA to agree quality assessment, delivery of courses, timetables)

Business Group (Representation from local business to establish business links, create work place opportunities, receive potential employer in-put to drive course selection and delivery).

RELATED PARTY RELATIONSHIPS

The NSSA works in partnership with other education providers; Sir John Leman High School, Alde Valley High School, Stradbroke High School, Pakefield High School, Arch Bishop Sandcroft High School. These schools pay the providers of the various courses directly for their educational services, on a per-student basis, and in turn the providers pay the NSSA for use of the facilities. The educational providers detailed above provided the following income to the NSSA during the period:

Engineering – BHS £26,000

Motor Engineering – BHS £18,000

Hairdressing – BHS £28,000

Construction – CTS Construction Ltd £30,000

Catering – TA Collection Ltd £20,000

In addition the NSSA gained income through letting conference facilities.

RISK MANAGEMENT

The Governors have assessed the major risks to which the Charitable Company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the NSSA and its finances.

The Governors have implemented a number of systems to assess risks that the Charitable Company faces, especially in the operational areas (for example in relation to teaching, health and safety, bullying, safeguarding, information technology, human resources and academy trips) and in relation to the control of finance on an on-going basis. They have introduced systems and policies, in line with those of BHS. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academies Annual Return was sent to the Education Finance Agency in January 2015, and the 2014/15 Forecast Return in July 2015. Standards are maintained with on-going finance training through the National College for School Leadership and SC, also membership of ASCL and the Finance Directors Forum. Specific guidance is purchased from professionals as required.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

These factors provide the Governing body with assurance that:-

- the financial responsibilities of the governing body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

These arrangements can provide only reasonable and not absolute assurance that assets are safe guarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period. In addition, the Academy Trust purchases money and fidelity guarantee insurance, and “key man” assurance in respect of the Finance Director.

PRINCIPAL ACTIVITIES

The NSSA is a purpose built facility offering vocational education to students from Bungay High and other local schools, colleges and individuals. The purpose and object of the Academy and the NSSA is to advance education in the United Kingdom for the public benefit, in particular but without prejudice, by establishing, maintaining, carrying on, managing and developing an Academy Trust offering a broad and balanced curriculum. This is as defined in the Memorandum of Association dated 2 July 2013.

The NSSA is part of Bungay High School (BHS), an inclusive Academy and it ensures that students with special educational needs (SEN) are admitted on an equal basis, in accordance with its admissions policy.

The income and property of the charitable company are applied solely towards the promotion of the above object.

The NSSA exists to provide for vocational education for students aged 11 to 18 from both Bungay High School and other local education providers. It comprises a purpose built premises with classrooms specially equipped to teach; Engineering, Motor Engineering, Hairdressing, Catering and Construction.

The premises were built in 2006 using grants obtained from the East of England Development fund (EEDA), Suffolk County Council (SCC) and Barclays Bank. This was to meet the needs of the students in this rural area. Grant application, business planning and contract management was facilitated by BHS, prior to it becoming an Academy, working in partnership with SCC and the building is owned by SCC.

The North Suffolk Skills Centre was run by the 14 to 19 Partnership Group, a group of local education providers until 1 July 2013. At the end of this period, Lowestoft College was the banker school and had taken the lead on provision of courses, however the college did not want to continue. It was agreed between the Partnership, BHS Governors and SCC that BHS would run the premises to provide similar services, it was re-named the NSSA and created as a subsidiary company, taking on the assets of the NSSC. The assets of the NSSC were gifted to the new subsidiary, the premises under a 20 year lease.

The NSSA leases teaching space as follows:

Engineering – staff and equipment provided by BHS

Motor Engineering – as above

Hairdressing – as above

Construction – staff and equipment provided by CTS Construction Ltd

Catering – staff and equipment provided by TA Collection Ltd.

The providers pay a lease under a service level agreement which allows for the NSSA to provide the premises, marketing, student course development, student support, premises and IT management. This is the majority of the NSSA income. Staff are employed to manage and run the NSSA by BHS and recharged to the NSSA.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and Activities

POLICIES AND OBJECTIVES

NSSA's objects are:

"To promote the advancement of education in East Anglia, and in the connection therewith to assist and supervise local schools and businesses in the provision of vocational training and education of all kinds in any and all educational disciplines to adolescents and young adults attending schools in the area of East Anglia, and to provide any and all necessary facilities for the local schools and businesses in support of the foregoing purposes."

Its mission statement is "Opportunity, Aspiration and Excellence for All" and this is reflected in the teaching and learning which encompasses a very wide curriculum and inclusive approach which is greatly enhanced by the offer at the NSSA. The objectives of the NSSA specifically are to promote the advancement of education in East Anglia, to assist local schools and businesses in the provision of vocational training and to provide the necessary facilities to support this.

STRATEGIES FOR ACHIEVING OBJECTIVES

The Charitable Company recognises that all students have special skills, abilities and aptitudes and all have an entitlement to access a broad, challenging and appropriate curriculum. Every student is also entitled to experience a variety of teaching and learning styles which enable them to achieve their full potential. The Academy Trust aims, through successful teaching and learning, to develop the whole child and to enable our students to become lifelong learners.

The NSSA is valuable in providing for the needs of Pupil Premium (PP) students, and in providing work experience leading to real job opportunities for this group in years 10 and 11. The NSSA courses aim to improve curriculum engagement and academic achievement for PP students by ensuring courses offer different learning styles to ensure students are engaged in learning. The expectation is that this will lead to an increase in student qualification profile, student confidence, and engagement in learning, to improve future employability prospects and to engage using a wide range of learning styles, to develop problem solving skills. The recent Ofsted inspection commented that leadership of the NSSA is a strength of the school, teaching is of the highest quality and students are well-supported, and, as a result, make good progress.

VALUE FOR MONEY

Bungay High School has always achieved excellent value for money, and uses tender procedures for contracts over £50,000 plus best value procedures for amounts below £50,000. Specialist help is procured when required, for example, in tendering for large building contracts. The BHS finance team work closely with the NSSA Centre Manager to ensure the same procurement and financial systems are employed, and sharing of resources to improve value for money plus economies of scale have further contributed to this.

PUBLIC BENEFIT

In line with the Charitable Company's objective to provide education services for the public good, the NSSA strives to improve standards and quality of teaching and learning. The NSSA is committed to continual improvement which is achieved in a number of ways including: improvement planning, review meetings, continual professional development, lesson observations, performance management, learning walks, self-evaluation, data analysis and action planning and these systems include the BHS students attending the NSSA.

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The Governors confirm that they have complied with their duty in Section 17 of the Charities Act 2011 to have regard to public benefit guidance published by the Charity Commission of England and Wales.

Achievements and performance

KEY FINANCIAL PERFORMANCE INDICATORS

The total number of students on role in the year ended 31 August 2015: 145 (2014: 217)

REVIEW OF ACTIVITIES

Summer 2015 results were

Engineering – Year 11 (BTEC Engineering equivalent to x 2 GCSEs): 26% achieved Distinction and 73% achieved Merit or above.

Engineering – Post-16 (BTEC equivalent to x 2 A levels): All our students achieved at Distinction level with 80% achieving Distinction*.

Chef Academy – Year 11: 92% Pass rate

Chef Academy - Post 16: (2 year course complete next year)

Motor Vehicle – Year 11: 88% Pass

Motor Vehicle – Post-16 (Diploma in Fitting Principles): 100% Pass (IMI AL Dip in Light Vehicle Maintenance) 75% Pass Rate

Construction – Year 11: 90% Pass

Construction – Post 16: Course (Completion date September 2015)

Hair & Beauty – Year 11: 88% Pass

Hair & Beauty – Post-16: Cert in Barbering 100% Pass/ NVQ Level 2 in Hairdressing 100% Pass

Financial review

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The objective of the Academy Trust's Risk Management procedure is to identify the principal risks facing the Academy Trust so that existing controls may be considered and further action taken if required, including external insurance. This system is applied to NSSA. NSSA accounts are processed by the BHS Finance Staff using the same approved systems and monitored by the same audit procedures. Governors will ensure that the NSSA does not put the parent company at financial risk, particularly through the reduction in student up-take and courses.

FUND REVIEW

Unrestricted Funds

Leaving aside the value of premises occupied by NSSA, the company received income into its Unrestricted Fund during the period to 31 August 2015 of £128,618 as opposed to £232,681 last year, however the majority of this (£74,292) was from services to the parent company. Expenditure was £101,790, transfers to capital fund were £14,594, which added to the previous year's carry-forward of £29,015 gives an unrestricted carry-forward of £41,249.

Restricted Funds

NSSA received income of £70,000 in grant income from SCC in 2013/14, to be used to support operational aims in the first three years of running in the last period. Expenditure in the year was £35,329, which gives a restricted carry-forward of £34,671.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Restricted Fixed Asset Funds

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the depreciation policy. No capital grants were received in the period.

Movements in tangible fixed assets are shown in note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the NSSA.

The SOFA details a £11,279 Restricted Fixed Asset Fund period end deficit after transfers between funds. This is detailed in note 14 to the accounts.

Summary of Funds

Unrestricted Funds £41,249

Restricted Funds £34,671

Restricted Fixed Asset Funds £138,357

Total £214,277

RESERVES POLICY

The Academy Trust recognises the change in rationale and the nature of reserves which followed conversion from an LA run school. The purposes of reserves are to ensure the NSSA operates as a going concern, and that it can provide sufficient working capital, cover unforeseen eventualities in line with risk management recommendations, and ensure capital maintenance both in the current financial year and in future years. The policy target will be reviewed in the light of review of future developments. At year end free reserves were £41,249, being the unrestricted fund.

The restricted Start-Up Fund balance was £34,671.

MATERIAL INVESTMENTS POLICY

Investment of surplus funds into a higher interest account was approved by Governors and monitored by the Finance Director. The objective is to hold funds at low risk. The Academy does not have any endowment funds.

Plans for the future

FUTURE DEVELOPMENTS

The NSSA strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment.

The Charitable Company believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. However, the Government emphasis is now on Modern Apprenticeships for Post 16 vocational education and this is expected to have a growing negative impact on up-take of these courses. In addition, schools are under increasing financial pressure which, together with curriculum need tailored to the "best 8" subjects for students up to GCSE level. This is making recruitment of students more challenging and the Academy and Governors are currently reviewing the viability of courses in the medium term. After our formal period of consultation on the continuation of Motor and Engineering courses is over, and dependent on the outcome, Governors will also review the position in relation to the NSSA and in doing that, review its future beyond 2017. If pre & post-16 student demand for all courses does not dramatically improve for 2016, the

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

the outcome, Governors will also review the position in relation to the NSSA and in doing that, review its future beyond 2017. If pre & post-16 student demand for all courses does not dramatically improve for 2016, the financial viability of not just those courses but the whole NSSA is at risk, as the Centre costs are based on all five teaching areas being used. The Academy will look to reduce expenditure further, however, in order to protect the financial situation of the parent company the sustainability of the subsidiary is under close scrutiny and review by Governors.

DISCLOSURE OF INFORMATION TO AUDITORS

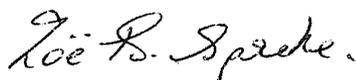
Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

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

AUDITORS

The auditors, Larking Gowen, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report was approved by the Governors on 1 December 2015 and signed on their behalf by:



Zoe Sprake
Chair of Governors

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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors (who are also directors of North Suffolk Skills Academy Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH SUFFOLK SKILLS ACADEMY LIMITED

We have audited the financial statements of North Suffolk Skills Academy Limited for the year ended 31 August 2015 set out on pages 12 to 26. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the 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.

The Governors have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report 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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH SUFFOLK SKILLS ACADEMY LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Julie Grimmer FCA DChA, Senior Statutory Auditor

for and on behalf of

Larking Gowen

Chartered Accountants

1 Claydon Business Park
Great Blakenham
Ipswich
Suffolk
IP6 0NL

16 December 2015

NORTH SUFFOLK SKILLS ACADEMY LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	<i>As restated</i> Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	3	80,000	-	-	80,000	195,340
Activities for generating funds	4	128,618	-	-	128,618	101,700
Transfer from local authority on conversion		-	-	-	-	222,642
TOTAL INCOMING RESOURCES		208,618	-	-	208,618	519,682
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs		1,812	-	-	1,812	1,675
Charitable activities	5,6	176,307	35,329	25,868	237,504	257,854
Governance costs	7	3,671	-	-	3,671	11,507
TOTAL RESOURCES EXPENDED		181,790	35,329	25,868	242,987	271,036
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		26,828	(35,329)	(25,868)	(34,369)	248,646
Transfers between Funds	16	(14,594)	-	14,594	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		12,234	(35,329)	(11,274)	(34,369)	248,646
<i>Total funds at 1 September 2014</i>		29,015	70,000	149,631	248,646	-
TOTAL FUNDS AT 31 AUGUST 2015		41,249	34,671	138,357	214,277	248,646

The notes on pages 16 to 26 form part of these financial statements.

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REGISTERED NUMBER: 08594430

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	<i>As restated</i> 2014 £
FIXED ASSETS					
Tangible assets	12		133,857		145,131
CURRENT ASSETS					
Stocks	13	2,970		-	
Debtors	14	5,183		8,325	
Cash at bank		79,730		99,850	
			<u>87,883</u>	<u>108,175</u>	
CREDITORS: amounts falling due within one year	15	(7,463)		(4,660)	
NET CURRENT ASSETS			<u>80,420</u>		<u>103,515</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>214,277</u>		<u>248,646</u>
CHARITY FUNDS					
Restricted funds:					
Restricted funds	16	34,671		70,000	
Restricted fixed asset funds	16	138,357		149,631	
Total restricted funds			<u>173,028</u>		<u>219,631</u>
Unrestricted funds	16		<u>41,249</u>		<u>29,015</u>
TOTAL FUNDS			<u>214,277</u>		<u>248,646</u>

The Governors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 August 2015 and of its net resources expended for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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BALANCE SHEET (continued)
AS AT 31 AUGUST 2015

The financial statements were approved by the Governors on 1 December 2015 and signed on their behalf, by:

Zoe S. Sprake.

Zoe Sprake, Member & Chair

The notes on pages 16 to 26 form part of these financial statements.

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	18	(5,526)	130,786
Capital expenditure and financial investment	19	(14,594)	(116,578)
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u>(20,120)</u>	<u>14,208</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(20,120)	14,208
MOVEMENT IN NET FUNDS IN THE YEAR	(20,120)	14,208
Net funds at 1 September 2014	99,850	85,642
NET FUNDS AT 31 AUGUST 2015	<u>79,730</u>	<u>99,850</u>

The notes on pages 16 to 26 form part of these financial statements.

NORTH SUFFOLK SKILLS ACADEMY LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

After making appropriate enquiries, the Governing Body 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. Take up of two of the courses, Engineering and Motor, however, has been low for Post 16 students and Governors are therefore reviewing whether to continue with these courses past July 2016. Further details are given in the future developments section of the Governors report.

1.3 Incoming resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown 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. When entitlement occurs before income is received, the income is accrued.

Sponsorship income

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

Donations

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

Lease 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Donated services and gifts in kind

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

1.4 Resources expended

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

Costs of generating funds

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

Charitable activities

These are costs incurred by the charitable company in undertaking its work to meet its charitable objectives.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rate calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Higher Rate Building Improvements	-	10%
Plant and machinery	-	15%
Computer equipment	-	25%

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

1.6 Leased assets

Rentals under operating leases are charged over the lease term.

1.7 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder / donor.

1.8 Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the charity to the obligation.

1.9 Stocks

Unsold subject sales and printing items are valued at the lower of cost and net realisable value.

2. PRIOR YEAR ADJUSTMENT

In the previous year's financial statements the property leased by North Suffolk Skills Academy Limited was accounted for by inclusion on the balance sheet at the value of the asset at inception of the lease and a liability for deferred grant income.

In order to properly reflect the terms of occupation as an operating lease with nil annual charge, the property and related liability have been removed from the balance sheet and, instead, a donation in kind and rent charge at estimated market value of £80,000 have been recognised within the Statement of Financial Activities.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

3. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lowestoft College/Partnership funds from NSSC	-	-	-	40,709
Suffolk County Council start up grant	-	-	-	70,000
Bungay High School start up funds	-	-	-	4,631
Supply of premises	80,000	-	80,000	80,000
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	80,000	-	80,000	195,340
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The charity occupies premises owned by Suffolk County Council under the terms of a lease of 20 years duration with no charge. An annual donation of £80,000 and equivalent rental charges are included within the accounts to represent market value of this facility.

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	570	-	570	-
Income for leases to providers	53,756	-	53,756	66,620
Income from SCC lettings	-	-	-	1,054
Income from parent for leases	74,292	-	74,292	34,026
	<hr/>	<hr/>	<hr/>	<hr/>
	128,618	-	128,618	101,700
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5. DIRECT COSTS

	Charitable activities £	Total 2015 £	As restated Total 2014 £
Educational supplies	5,813	5,813	10,598
Depreciation	25,868	25,868	22,806
Notional rental cost of building (note 3)	80,000	80,000	80,000
	<hr/>	<hr/>	<hr/>
	111,681	111,681	113,404
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NORTH SUFFOLK SKILLS ACADEMY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. SUPPORT COSTS

	Charitable activities £	Total 2015 £	Total 2014 £
Technology costs	5,122	5,122	5,026
Maintenance of premises	28,033	28,033	28,283
Catering	777	777	737
Bank charges	49	49	-
Travel and subsistence	-	-	270
Cleaning	2,536	2,536	2,304
Energy costs	15,975	15,975	17,310
Rent and rates	8,994	8,994	10,828
Other support costs	8,197	8,197	49,590
Recruitment and support	56,140	56,140	30,102
	<u>125,823</u>	<u>125,823</u>	<u>144,450</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	3,030	-	3,030	1,000
Legal and professional fees	641	-	641	10,507
	<u>3,671</u>	<u>-</u>	<u>3,671</u>	<u>11,507</u>

8. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	25,868	22,806
Auditors' remuneration	2,250	-
Auditors' remuneration to former auditors	780	1,000
	<u>28,908</u>	<u>23,806</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9. STAFF COSTS

The company has no employees.

The costs of charitable activities include charges arising from the staff costs of Bungay High School.

10. RELATED PARTY TRANSACTIONS - GOVERNORS' REMUNERATION AND EXPENSES

The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff to Bungay High School, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the charity in respect of their role as Governors.

During the period ended 31 August 2015 and 31 August 2014, no travel and subsistence expenses were paid to Governors.

11. GOVERNOR'S AND OFFICERS' INSURANCE

In accordance with normal commercial practice the charity has purchased insurance to protect Governors and officers from claim arising from negligent acts, errors or omissions occurring whilst on charity business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

12. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Plant and machinery £	Computer equipment £	Total £
Cost				
At 1 September 2014 (as previously stated)	1,716,915	161,298	2,537	1,880,750
Prior year adjustment	(1,712,812)	-	-	(1,712,812)
At 1 September 2014 (as restated)	4,103	161,298	2,537	167,938
Additions	-	14,594	-	14,594
At 31 August 2015	4,103	175,892	2,537	182,532
Depreciation				
At 1 September 2014 (as previously stated)	85,640	22,353	454	108,447
Prior year adjustment	(85,640)	-	-	(85,640)
At 1 September 2014 (as restated)	-	22,353	454	22,807
Charge for the year	-	25,234	634	25,868
At 31 August 2015	-	47,587	1,088	48,675
Net book value				
At 31 August 2015	4,103	128,305	1,449	133,857
<i>At 31 August 2014 (as restated)</i>	4,103	138,945	2,083	145,131

13. STOCKS

	2015 £	2014 £
Finished goods and goods for resale	2,970	-

14. DEBTORS

	2015 £	2014 £
Prepayments and accrued income	5,183	8,325

NORTH SUFFOLK SKILLS ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

15. CREDITORS:
Amounts falling due within one year

	2015 £	<i>As restated</i> 2014 £
Trade creditors	3,134	3,160
Accruals and deferred income	4,329	1,500
	7,463	4,660

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Unrestricted funds					
Unrestricted funds	29,015	208,618	(181,790)	(14,594)	41,249
Restricted funds					
Start up fund from SCC	70,000	-	(35,329)	-	34,671
Restricted fixed asset funds					
Capital Exp from Unrestricted	35,437	-	(4,954)	14,594	45,077
Donated Assets	109,694	-	(20,914)	-	88,780
Other Capital Income	4,500	-	-	-	4,500
	149,631	-	(25,868)	14,594	138,357
Total restricted funds	219,631	-	(61,197)	14,594	173,028
Total of funds	248,646	208,618	(242,987)	-	214,277

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

The start up fund relates to a grant from Suffolk County Council to support the NSSA in its first years of operation.

Fund transfers arising from the purchase of fixed assets from unrestricted funds.

NORTH SUFFOLK SKILLS ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
General funds	29,015	208,618	(181,790)	(14,594)	41,249
Restricted funds	70,000	-	(35,329)	-	34,671
Restricted fixed asset funds	149,631	-	(25,868)	14,594	138,357
	<u>248,646</u>	<u>208,618</u>	<u>(242,987)</u>	<u>-</u>	<u>214,277</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	133,858	133,858	145,131
Current assets	48,712	34,671	4,499	87,882	108,175
Creditors due within one year	(7,463)	-	-	(7,463)	(4,660)
	<u>41,249</u>	<u>34,671</u>	<u>138,357</u>	<u>214,277</u>	<u>248,646</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(34,369)	248,646
Transfer from LA on conversion	-	(222,642)
Depreciation of tangible fixed assets	25,868	22,806
Increase in stocks	(2,970)	-
Decrease/(increase) in debtors	3,142	(8,325)
Increase in creditors	2,803	90,301
Net cash (outflow)/inflow from operations	<u>(5,526)</u>	<u>130,786</u>

NORTH SUFFOLK SKILLS ACADEMY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(14,594)	(35,437)
Sale of tangible fixed assets	-	4,500
Net cash outflow capital expenditure	(14,594)	(116,578)

20. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	99,850	(20,120)	-	79,730
Net funds	99,850	(20,120)	-	79,730

21. OPERATING LEASE COMMITMENTS

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

	2015 £	2014 £
Expiry date:		
Within 1 year	133	444
	133	444

22. MEMBERS LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. RELATED PARTY TRANSACTIONS

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

See Note 10

These financial statements are included within the consolidated financial statements of the ultimate parent company, which are publically available. Consequently, under the provision of Financial Reporting Standard 8 (effective April 2008) the company is exempt from reporting details of transaction and balances with the parent entity.

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Governors regard Bungay High School Academy Trust (registered Company number 07698578) as the ultimate parent undertaking and controlling party. A copy of the ultimate parents' consolidated financial statements may be obtained from Queens Roads, Bungay, Suffolk NR35 1RW.