

Registered number: 08594430

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

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

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**CONTENTS**

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	Page
<b>Reference and administrative details of the charity, its trustees and advisers</b>	1
<b>Governors' report</b>	2 - 9
<b>Governors' responsibilities statement</b>	10
<b>Independent auditors' report</b>	11 - 12
<b>Statement of financial activities</b>	13
<b>Balance sheet</b>	14
<b>Cash flow statement</b>	15
<b>Notes to the financial statements</b>	16 - 26

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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 2016**

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<b>Governors</b>	Angelo Goduti, Member, Headteacher & Accounting Officer Zoe Sprake (resigned 31 July 2016) Janice Wright (resigned 10 September 2015) Simon Linger (appointed 10 September 2015) Mike Osborn (appointed 10 September 2015) Simon Linger, Member, Chair of Governors
<b>Company registered number</b>	08594430
<b>Registered office</b>	Harrisons Lane Halesworth Suffolk IP19 8PY
<b>Company secretary</b>	Lynn Eldrett
<b>Independent auditors</b>	Larking Gowen Chartered Accountants 1 Claydon Business Park Great Blakenham Ipswich Suffolk IP6 0NL
<b>Bankers</b>	Lloyds Bank 19 Hall Quay Great Yarmouth Norfolk NR30 1HH
<b>Solicitors</b>	Eversheds LLP One Wood Street London EC2V 7WS

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

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors present their annual report together with the audited financial statements of for the year 1 September 2015 to 31 August 2016.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

### **Objectives and Activities**

#### **OBJECTIVES AND AIMS**

NSSA's object is set out in the Company's articles of association. 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 AND ACTIVITIES**

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. 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. However, due to reductions in funding schools find it difficult to pay to outsource education and the up-take from local schools sending Year 10 and 11 students fell substantially. BHS attempted to redress this by creating courses for Year 9 students, however, after committing to running this course the take up was very low.

The NSSA enrolment of Post 16 students in September 15 was very low, and dropped during the year so that Motor and Engineering courses were no longer sustainable with only 3 Engineering students and 5 Motor students post 16. BHS committed to the costs of these students successfully completing their courses but can not afford to continue to do this as Governors intention was for the NSSA subsidiary business to cover its own costs.

#### **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. Whilst procurement systems were rigorously followed, the NSSA was only able to cover its costs by using up start up funding due to a fall in income due to courses ending and not being able to recruit sufficient students to make the courses viable for the providers to run.

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**NORTH SUFFOLK SKILLS ACADEMY LIMITED**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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.

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 period ended 31 August 2016: 145 (2015 - 145).

**REVIEW OF ACTIVITIES**

Summer 2016 results:

Engineering – Level 1: 6 Merits, 2 Distinction\*, 7 Distinction  
Engineering – Post-16 (BTEC equivalent to x 2 A levels): All 3 students achieved at Distinction\* level  
Chef Academy – Year 11: 13 Level 1  
Motor Vehicle Level 1 – Year 11: 12 Merits, 2 Passes, 1 Fail  
Construction Level 2 – Year 11: 2 Merits, 10 passes, 7 Fail  
Hair & Beauty VTCT Level 2 – Year 11: 4 Passes, 12 Fail

**Financial review**

**GOING CONCERN**

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 next academic year. The NSSA can cover costs whilst courses in Hairdressing and Construction complete by opening two days a week. The NSSA will then close and revert back to SCC control and BHS will work with SCC to transition to the new tenant in summer 2017.

These accounts are therefore prepared on a non going concern basis (note 1.2).

**FINANCIAL 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.

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**NORTH SUFFOLK SKILLS ACADEMY LIMITED**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**FUND REVIEW**

**Unrestricted Funds**

The NSSA received income into its Unrestricted Fund during the period to 31 August 2016 of £87,914 as opposed to £128,618 last year, however £28,530 was from services to the parent company. Expenditure was £84,922 as opposed to £149,463 last year, excluding transfers to capital fund and nominal rent.

**Restricted Funds**

The NSSA received income of £70,000 in grant income from SCC in 2013, to be used to support operational aims in the first three years of running in the last period. These funds were not used, as the carried-forward funds from the previous 14-19 Partnership running the NSSC were above estimates. This fund was therefore carried forward in full last year to ensure financial viability going forward but used this year due to falling income.

**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 Charitable Company's depreciation policy. No capital grants were received in the period. An impairment charge of £27,309 has incurred in the year (2015 - £Nil).

At 31 August 2016 the net book value of fixed assets was £78,855. Movements in tangible fixed assets are shown in note 12 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 £55,003 Restricted Fixed Asset Fund period end deficit after transfers between funds. This is detailed in note 15 to the accounts.

**Summary of Funds**

Unrestricted Funds £44,241  
Restricted Funds £Nil  
Restricted Fixed Asset Funds £83,354

Total £127,595

**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 Academy Trust has made the decision to run the NSSA on a two day a week basis in 2016 and close it in summer 2017 and it has sufficient funds to do so without causing the NSSA to run into deficit.

**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.

**Structure, governance and management**

**CONSTITUTION**

The Charitable Company is a company limited by guarantee and an exempt charity. The Charitable Company's

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**NORTH SUFFOLK SKILLS ACADEMY LIMITED**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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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 Administrative Details 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 2016.

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. 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.

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**NORTH SUFFOLK SKILLS ACADEMY LIMITED**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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. Organisation of the curriculum offer is planned by BHS Leadership Team, with input from the partner schools. Liaison with the external education providers (TA Collection and CTS Construction) regarding course content, quality control, tracking, behaviour of students is managed by BHS Leadership Team and the Centre Manager.

**RELATED PARTY RELATIONSHIPS**

The NSSA works in partnership with other education providers. Since student numbers fell during 2014 to 15, BHS worked to develop new relationships with schools and worked with a larger group than last year; Sir John Lemn High School, Alde Valley High School, Pakefield High School, The Seckford Trust, SES Avocet, The Engage Trust and Bramfield High School. However, the numbers of students sent were very low and a great deal of management time was expended in setting up contracts which did not cover the costs of the provision for courses run by BHS. Courses run by the external providers were made viable as they were exclusively supported by BHS students. This is not sustainable for BHS due to the high cost. 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 £0  
Motor Engineering – BHS £0  
Hairdressing – BHS £28,000  
Construction – CTS Construction Ltd £33,000  
Catering – TA Collection Ltd £19,167

Leases were not re-charged to BHS courses, as there was very low take up of these courses therefore they were run to complete courses for students on 2 year programmes who needed to complete their qualification. Staff worked on a part-time basis and resigned in December 2015, in the case of the Motor Engineering teachers, or were made redundant at the end of the year in the case of the Engineering teacher and NSSA Manager. Costs of redundancy were born by BHS.

The lease agreement with TA Collection was terminated early by mutual agreement in June 2016.

In addition the NSSA gained income through letting conference facilities.



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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 2016, and the 2015/16 Forecast Return in July 2016. Annual accounts were audited internally by School Choice and the BHS Responsible Officer and externally by Larking Gowen. The accounts are also consolidated with the BHS Group and audited by Government auditors Deloitte. 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.

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.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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.

**Plans for future periods**

**FUTURE DEVELOPMENTS**

Following low take up of courses in September 2015, and after long discussion Governors decided to open the NSSA on a restricted basis in 2016, to allow students to complete hairdressing and construction courses. It will close in summer 2017. BHS can not afford to support the courses run by external providers to the extent it had in the past, therefore the commercial companies running them could not cover the rent costs of the NSSA going forward. Occupation of the NSSA facility and delivery of its program will revert to SCC in summer 2017.

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**NORTH SUFFOLK SKILLS ACADEMY LIMITED**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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 5 December 2016 and signed on their behalf by:

  
Simon Linger  
Chair of Governors

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

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**GOVERNORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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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 (FRS 102) 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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**NORTH SUFFOLK SKILLS ACADEMY LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH SUFFOLK SKILLS ACADEMY LIMITED**

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We have audited the financial statements of North Suffolk Skills Academy Limited for the year ended 31 August 2016 set out on pages 13 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 January 2015) (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 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 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.

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 2016 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.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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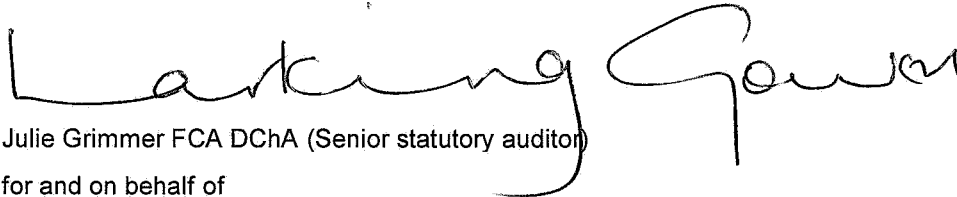
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH SUFFOLK SKILLS ACADEMY LIMITED**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



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

9 December 2016

**NORTH SUFFOLK SKILLS ACADEMY LIMITED**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>					
Donations and legacies	2	-	80,000	80,000	80,000
Other trading activities	3	87,859	-	87,859	128,618
Investments	4	55	-	55	-
<b>TOTAL INCOME</b>		<u>87,914</u>	<u>80,000</u>	<u>167,914</u>	<u>208,618</u>
<b>EXPENDITURE ON:</b>					
Raising funds		-	-	-	1,812
Charitable activities	7	84,922	169,674	254,596	241,175
<b>TOTAL EXPENDITURE</b>		<u>84,922</u>	<u>169,674</u>	<u>254,596</u>	<u>242,987</u>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		2,992	(89,674)	(86,682)	(34,369)
<b>NET MOVEMENT IN FUNDS</b>		2,992	(89,674)	(86,682)	(34,369)
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		41,249	173,028	214,277	248,646
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>44,241</u>	<u>83,354</u>	<u>127,595</u>	<u>214,277</u>

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

**NORTH SUFFOLK SKILLS ACADEMY LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08594430**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	12		78,855		133,857
<b>CURRENT ASSETS</b>					
Stocks		-		2,970	
Debtors	13	2,316		5,183	
Cash at bank and in hand		49,982		79,730	
		<u>52,298</u>		<u>87,883</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(3,558)		(7,463)	
<b>NET CURRENT ASSETS</b>			<u>48,740</u>		<u>80,420</u>
<b>NET ASSETS</b>			<u>127,595</u>		<u>214,277</u>
<b>CHARITY FUNDS</b>					
Restricted funds:					
Restricted funds	15	-		34,671	
Restricted fixed asset funds	15	83,354		138,357	
Total restricted funds			<u>83,354</u>		<u>173,028</u>
Unrestricted funds	15		<u>44,241</u>		<u>41,249</u>
<b>TOTAL FUNDS</b>			<u>127,595</u>		<u>214,277</u>

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 January 2015).

The financial statements were approved by the Governors on 5 December 2016 and signed on their behalf, by:

  
**Simon Linger, Chair of Governors**

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



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**NORTH SUFFOLK SKILLS ACADEMY LIMITED**  
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**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	17	<u>(29,748)</u>	<u>(5,526)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<u>-</u>	<u>(14,594)</u>
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(14,594)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(29,748)</b>	<b>(20,120)</b>
Cash and cash equivalents brought forward		<u>79,730</u>	<u>99,850</u>
<b>Cash and cash equivalents carried forward</b>	18	<u><u>49,982</u></u>	<u><u>79,730</u></u>

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**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.

As more fully disclosed in the Governors' report, the Trust's activities are planned to cease in Summer 2017. These accounts are therefore prepared on a non going concern basis. Adjustments have been made to balances and accounting policies as appropriate.

**1.3 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

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

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

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.

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 incorporating income and expenditure account.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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**

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**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 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.12 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.13 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Supply of premises	-	80,000	80,000	80,000

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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Hire of facilities	525	-	525	570
Income for leases to providers	58,804	-	58,804	53,756
Income from parent for leases	28,530	-	28,530	74,292
	<u>87,859</u>	<u>-</u>	<u>87,859</u>	<u>128,618</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Interest received	55	-	55	-
	<u>55</u>	<u>-</u>	<u>55</u>	<u>-</u>

**5. DIRECT COSTS**

	Charitable activitie £	Total 2016 £	<i>Total 2015 £</i>
Educational supplies	3,881	3,881	5,813
Depreciation	27,694	27,694	25,868
Impairment charge	27,309	27,309	-
Notional rental cost of building (note 2)	80,000	80,000	80,000
	<u>138,884</u>	<u>138,884</u>	<u>111,681</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**6. SUPPORT COSTS**

	Charitable activities £	Total 2016 £	Total 2015 £
Technology costs	3,605	3,605	5,122
Maintenance of premises	21,287	21,287	28,033
Catering	1,650	1,650	777
Bank charges	11	11	49
Cleaning	956	956	2,536
Energy costs	12,616	12,616	15,975
Rent and rates	9,670	9,670	8,994
Other support costs	7,011	7,011	8,197
Recruitment and support	53,255	53,255	56,140
	<u>110,061</u>	<u>110,061</u>	<u>125,823</u>

**7. GOVERNANCE COSTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Auditors' remuneration	3,288	-	3,288	3,030
Legal and professional fees	2,363	-	2,363	641
	<u>5,651</u>	<u>-</u>	<u>5,651</u>	<u>3,671</u>

**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned by the charity	27,693	25,868
Auditors' remuneration	3,288	2,250
Auditors' remuneration to former auditors	-	780
	<u>31,011</u>	<u>28,908</u>

**9. STAFF COSTS**

The company has no employees.

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**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 2016 and 31 August 2015, 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 2016 is included in the total insurance cost.

**12. TANGIBLE FIXED ASSETS**

	L/Term Leasehold Property £	Plant and machinery £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015 and 31 August 2016	4,103	175,892	2,537	182,532
<b>Depreciation</b>				
At 1 September 2015	-	47,587	1,088	48,675
Charge for the year	-	27,059	634	27,693
Impairment charge	-	27,309	-	27,309
At 31 August 2016	-	101,955	1,722	103,677
<b>Net book value</b>				
At 31 August 2016	4,103	73,937	815	78,855
At 31 August 2015	4,103	128,305	1,449	133,857

**13. DEBTORS**

	2016 £	2015 £
Other debtors	400	-
Prepayments and accrued income	1,916	5,183
	<u>2,316</u>	<u>5,183</u>



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**13. DEBTORS (continued)**

**14. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	1,308	3,134
Accruals and deferred income	2,250	4,329
	<u>3,558</u>	<u>7,463</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**15. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditur e £	Carried Forward £
<b>Unrestricted funds</b>				
Unrestricted funds	41,249	87,914	(84,922)	44,241
<b>Restricted funds</b>				
Start up fund from SCC	34,671	80,000	(114,671)	-
<b>Restricted fixed asset funds</b>				
Capital Exp from Unrestricted	45,077	-	(55,003)	(9,926)
Donated Assets	88,780	-	-	88,780
Other Capital Income	4,500	-	-	4,500
	<u>138,357</u>	<u>-</u>	<u>(55,003)</u>	<u>83,354</u>
Total restricted funds	<u>173,028</u>	<u>80,000</u>	<u>(169,674)</u>	<u>83,354</u>
Total of funds	<u><u>214,277</u></u>	<u><u>167,914</u></u>	<u><u>(254,596)</u></u>	<u><u>127,595</u></u>

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.

**SUMMARY OF FUNDS**

	Brought Forward £	Income £	Expenditur e £	Carried Forward £
General funds	41,249	87,914	(84,922)	44,241
Restricted funds	34,671	80,000	(114,671)	-
Restricted fixed asset funds	138,357	-	(55,003)	83,354
	<u>214,277</u>	<u>167,914</u>	<u>(254,596)</u>	<u>127,595</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	-	133,858
Current assets	47,799	-	52,298	87,882
Creditors due within one year	(3,558)	-	(3,558)	(7,463)
	<u>44,241</u>	<u>-</u>	<u>127,595</u>	<u>214,277</u>

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(86,682)	(34,369)
<b>Adjustment for:</b>		
Depreciation charges	27,693	25,868
Decrease/(increase) in stocks	2,970	(2,970)
Decrease in debtors	2,867	3,142
(Decrease)/increase in creditors	(3,905)	2,803
Impairment charge	27,309	-
<b>Net cash used in operating activities</b>	<u>(29,748)</u>	<u>(5,526)</u>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	49,982	79,730
Total	<u>49,982</u>	<u>79,730</u>

**19. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Within 1 year	-	133

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**20. 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.

**21. 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.

Transactions with Bungay High School, controlling party of NSSA were as follows:

Management charged paid to BHS from NSSA totalled £53,255 (2015 - £57,140).  
Services provided to BHS from NSSA totalled £28,530 (2015 - £74,292).

**22. 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.