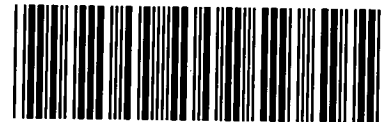


Company Registration No. 07452837 (England and Wales)

LAVINGTON SCHOOL LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2014

SATURDAY



A3YT2KC0

A16

10/01/2015

#391

COMPANIES HOUSE

LAVINGTON SCHOOL LIMITED

CONTENTS

| | Page |
|---------------------------------------------------------|-------------|
| Reference and administrative details | 1 - 2 |
| Trustees' report | 3 - 10 |
| Governance statement | 11 - 14 |
| Statement on regularity, propriety and compliance | 15 |
| Statement of trustees' responsibilities | 16 |
| Independent auditor's report on the accounts | 17 - 18 |
| Independent reporting accountant's report on regularity | 19 - 20 |
| Statement of financial activities | 21 |
| Balance sheet | 22 |
| Cash flow statement | 23 |
| Notes to the accounts | 24 - 39 |

LAVINGTON SCHOOL LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

D Wilkinson (Chair) (Resigned 31 August 2014)
K Bate (Staff Trustee)
D Cook *
J Dyer
A Holloway *
J Howells
R Lee *
J Middleton-Jones
E Oddy (Parent Trustee)
A Purcell
A Rogers (Parent Trustee)
J Shatford
G Sprigg (Chair from 1 September 2014)
K Stachiewicz (Parent Trustee)
N Wragg
A Downing (Staff Trustee, Company Secretary from 22/07/13 onwards)
(Resigned 14 January 2014) *
M Watson (Principal and Accounting Officer)
N Black (Appointed 11 December 2013)
P Stephenson (Staff Trustee) (Appointed 14 January 2014) *

* members of the Business Management Committee

Members

D Wilkinson (until 31 August 2014)
D Cook
R Lee
G Sprigg (from 31 August 2014)

Senior management team

| | |
|----------------------|----------------|
| - Headteacher | Martin Watson |
| - Deputy Headteacher | Daniela DeCet |
| - Deputy Headteacher | Gary Ford |
| - Deputy Headteacher | Sarah Lowkis |
| - Business Manager | Angela Downing |

Company secretary

Mrs A Downing

Company registration number

07452837 (England and Wales)

Registered office

The Spring
Market Lavington
Devizes
Wiltshire
SN10 4EB

LAVINGTON SCHOOL LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Moore Stephens (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Bankers

Lloyds Bank Plc
38 Market Place
Devizes
Wiltshire
SN10 1JD

Solicitors

Goughs
5 Bath Road
Melksham
Wiltshire
SN12 6LN

LAVINGTON SCHOOL LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for students aged 11-16 serving a rural catchment area in Market Lavington and the surrounding villages. The academy's planned admission number is 685 and had a roll of 704 in the school census in January 2014.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees act as the trustees for the charitable activities of Lavington School Limited and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Lavington School Limited.

The trustees of Lavington School Limited are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Subject to the provisions of the Companies House 2006 every trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in relation to the affairs of the Academy Trust. Lavington School holds insurance in this regard to the value of £2,000,000.

Principal Activities

Secondary education of students 11-16

Method of recruitment and appointment or election of trustees

The Trustees are directors of the charitable company for the purposes of the Companies Act 1985 and trustees for the purposes of charity legislation.

Terms of office last for four years and trustees are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. Trustee vacancies, including those for Parent Trustees, are advertised in the school newsletter which is distributed to all parents. The trustees were in office on 1 September 2013 and served until the end of the financial year 31 August 2014 except where indicated on the full list above.

The articles of association require the members of the charitable company to appoint up to 18 trustees, including:

- The Headteacher
- Two other staff trustees. All staff are invited to stand for election as a staff trustee. Where there are more candidates than vacancies, all staff are invited to vote for their preferred candidate(s).
- Five parent trustees. All parents are invited to stand for election as a parent trustee. Where there are more candidates than vacancies, all parents are invited to vote for their preferred candidate(s).
- Ten other trustees

LAVINGTON SCHOOL LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Policies and procedures adopted for the induction and training of trustees

There is an induction process for new trustees, including a tour of the Academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

Training for trustees includes:

- Briefings prior to full trustees' meetings on topics relevant to all.
- In-house sessions for those trustees with specific responsibilities (e.g. Child protection, special needs, finance etc).
- Access to a wide range of external courses

Organisational structure

Trustees' responsibilities are aligned with those of the 5 members of the Senior Leadership Team. Generally, three trustees sit on one of five groups as follows:-

Working group/committee

Leadership and effectiveness
Achievement and standards
Personal development
Teaching and Learning
Business Management
(including finance)

Senior Leadership Team Member

Headteacher
Deputy Headteacher - Achievements and Standards
Deputy Headteacher - Personal development
Deputy Headteacher - Teaching and learning
Business Manager

This structure aims to involve trustees closely and in a meaningful way in school development and decision making, rather than simply receiving reports.

The Full Governing Body is responsible for major decisions including setting the school budget, capital expenditure and senior staff appointments.

Spending within the agreed budget is devolved to the Senior Leadership Team, with regular reports (at least 5 times per year) to the Business Management Committee and the governing body.

Connected organisations including related party relationships

Lavington School is a member of the West Wiltshire Alliance which is a soft federation of secondary schools in Melksham, Trowbridge, Westbury, Warminster and Market Lavington. The WWA has successfully obtained grant funding which has supported intervention in this period. In addition, schools in WWA have shared resources to run an alternative learning facility and staff training events.

Governance of the WWA is separate from that of the school and has no impact on school operating policies.

Lavington School has strong links with its feeder school in the surrounding villages and supports their teaching of Mathematics and PE by releasing teachers to visit primary schools on a weekly basis.

LAVINGTON SCHOOL LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and activities

Objects and aims

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Lavington School aims to

- Ensure that every student enjoys a quality education in terms of resourcing, tuition and pastoral care
- Raise the standard of educational achievement of all pupils
- Improve the effectiveness of the school by keeping the curriculum, teaching and learning and organisational structure under continual review
- Provide value for money
- Comply with all statutory and curriculum requirements
- Maintain close links with primary schools and other local schools
- Conduct the school's business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The main objectives of the school during the 12 months ending 31 August 2014 are as detailed in the school improvement plan covering that period, the broad headings of which are as follows:-

Lavington's 2012 Ofsted inspection judged the school as category 3 "Needs Improvement". The inspection team recognised that the difficult time which the school had undergone, mostly as a result of turbulence in staffing and some ineffective teaching. These issues had been partly resolved in 2012/2013 and in the 2013/14 (this financial period) the school focussed very much on "getting to good" and ensuring that Key Stage 4 students achieved or exceeded targets at GCSE.

These underpinned the School Improvement Plan, which also embraced the development of whole school literacy and provision for more vulnerable students, particularly those in receipt of free school meals and Pupil Premium. Towards this the school installed a cashless catering system in November 2013 which makes those on free school meals indistinguishable from their peers.

The quality of teaching and student assessment were closely monitored by the senior leadership team, particularly for curriculum areas which had previously been weaker. Regular progress reports were given by senior leaders to trustees at governor meetings, with middle leaders attending on occasion to elaborate on strategies, progress and targets

Public benefit

The Academy Trust has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives. All the Trust's charitable activities are undertaken to further its charitable purposes for the public benefit, i.e. the education of secondary age children in the village of Market Lavington and the surrounding villages and area.

LAVINGTON SCHOOL LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Strategic report

Achievements and performance

Lavington continues to be popular and oversubscribed. 141 joined Year 7 in September 2013 against a Published Admissions Number of 137. The number on the school roll for the October 2014 census was 698 (in comparison with 683 January 2011 when the school moved to Academy status) and 4 of the 5 year groups are oversubscribed.

Regular internal teaching observations showed a substantial and consistent improvement in performance, which was later evidenced by our improved Ofsted inspection result.

A discrete assessment software product, SISRA, was purchased which has increased the capability and reliability of internal assessment and monitoring. The school is able to closely track performance against target for each student in each subject, and additionally to monitor progress of specific cohorts such as free school meals students and those attracting Pupil Premium. Close monitoring has enabled intervention to be well-targeted throughout the year, leading to improved results at year end.

The cashless catering system is considered to be the single most important factor in increasing by 33% the number of students taking free school meals. This creates much better awareness of those students' deprivation as well as generating increased funds to support their education.

LAVINGTON SCHOOL LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Key performance indicators

Ofsted

Ofsted revisited in July 2014 and judged the school's overall effectiveness as "Good" with

| | |
|--------------------------------|-------------|
| Achievement of pupils | Good |
| Quality of teaching | Good |
| Behaviour and safety of pupils | Outstanding |
| Leadership and management | Outstanding |

August 2014 GCSE results

Students obtained the school's highest ever GCSE results.

85% of students obtained GCSEs grade 5 A*-C

74% of students obtained GCSEs grade A* - C including English and maths.

As mentioned above, the school continues to be popular. In October 2014 4 of the 5 year groups were oversubscribed and trustees expect that the school will continue to admit above the Planned Admission Number in future admission rounds.

Income exceeded expenditure by £727 in this financial period and financial performance was better than forecast. A small capital project was funded largely from funds brought forward from the previous year.. Expenditure included £79,000 on supporting the school improvement plan, as well as £56,000 on ICT developments.

The cashless catering system has contributed to a significant increase in the uptake of paid school meals, generating a 9% increase in income.

The school continues to improve its energy management and has been a source of information for the local authority and other local schools in its approach to energy management. Consumption is regularly monitored and reviewed. Minimising energy usage and expenditure is always a consideration when building developments are planned.

Out of school hours, the premises are available to outside hirers and the sports hall, in particular, is used every evening and occasionally at weekends. The school lets the sports hall at minimum cost, as a community benefit, and it is used by numerous local groups for a variety of sports.

The turnover of staff this year has been higher than usual for Lavington but of the 6 teachers leaving in July 2014, four obtained promotion as senior or middle leaders in other schools. During the year, 3 support staff retired after over 20 years' service each.

Recruitment to the vacancies has included internal promotions as well as external appointments.

Going concern

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

LAVINGTON SCHOOL LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Financial review

This financial period started with net current assets of £282,953 brought forward from the previous year.

In the same period, additional to the £3,336,327 General Annual Grant (GAG) from the Department for Education (DfE), which is main source of income, the school received other government funding in the form of Pupil Premium £89,501 and Capital Formula of £15 744.

The year ended on 31 August 14 with net current assets of £283, 682

Reserves policy

The trustees review the reserve levels of the school annually. The school aims to use all financial resources for the purpose provided, ie to educate students and reserves are therefore kept to a minimum. The school has never run a deficit budget and secures its financial stability by a general contingency (£10,000 currently), a staffing contingency (£16,000) and by taking out supply cover insurance.

Reserves at the end of this period are expected to contribute to small capital projects, including an office and meetings room extension in 2013/14.

Investment policy and powers

Trustees review levels of cash held and consider putting this in a high-interest earning account if appropriate. Cash levels are generally fairly modest and in an interest-earning current account.

LAVINGTON SCHOOL LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Principal risks and uncertainties

The principal risks facing Lavington School are:-

1. Risk of reducing funding from government. This risk faces all schools in the uncertain financial climate. A significant concern is 2017 when plans to withdraw the Employers' NI rebate for pension contributions is due to take effect.

The school minimises this risk by

- maintaining popularity by consistently delivering high quality teaching, learning and results
- continually maintaining very efficient staffing levels and
- actively marketing the school to maintain numbers on roll.

2. A particular risk this year is the retirement of a long-established and successful Headteacher and at the time of writing trustees have plans underway to appoint his successor for 1 January 2015.

3. Risk of financial mis-management or fraud

- The school follows a robust system of internal financial controls to minimise risk
- The school employs an external Responsible Officer and auditors to carry out independent regular checks on these financial systems and processes to ensure they are adhered to. A written report is produced for trustees.
- Finance and software training is available for staff.

4. Risk of loss of computers and data

The impact of such a loss would be considerable but the school minimises this risk by

- Backing up data in school
- Consulting with experts to ensure that computer systems have all relevant securities in place eg anti-virus, security settings, etc.
- All data is backed up remotely in addition and backups are taken daily, weekly and monthly to ensure access to all

5. Safeguarding risk

The school vets all new staff, governors and volunteers, taking up previous employer references for new staff and obtaining DBS clearance for all. In addition, the school's Safeguarding Policy is available electronically and is widely publicised via noticeboards. All staff receive annual update training to ensure their own understanding of and adherence to the policy, as well as their vigilance in ensuring it is followed by all.

6. Critical incident or other emergency

- A plan (hard copy and electronic copy) is in place to deal with most likely situations and copies are kept on and off site.

Financial and Risk Management Objectives and Policies

All support staff in the school have the opportunity to participate in the Local Government Pension Scheme which, until 31 March 2014 was a defined benefit scheme based on Final Salary.

During this financial period the school's liability in the scheme has increased significantly from £365,000 (31/08/2013) to £604,000 at 31 August 2014 (NB £386,000 in 31/08/2012).

Employer contributions have been established at a fixed rate until March 2017. The school is contributing an additional annual sum towards reducing the liability but it is anticipated that over time, a potential increase in interest / investment rates coupled with the major scheme change to Career Average and more participants in the scheme, the liability will reduce without significant additional contributions being required.

LAVINGTON SCHOOL LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Plans for future periods

The plan for the period September 14 – August 15 will focus on:-

Outstanding leadership

- The appointment of a suitably qualified and capable headteacher to fulfil the trustees' commitment and plan for the school's improvement

Outstanding teaching and learning

- Following the recent Ofsted, implementing a more effective homework strategy.
- Continuing tracking and intervention so that all students achieve their potential
- Continue to develop whole school literacy and whole school numeracy

Outstanding curriculum

- Each department draws up its own plan towards these achieving these objectives. The plan is agreed by Trustees and the Senior Leadership Team, progress is monitored and reviewed at the year end.

Funds held as custodian trustee on behalf of others

The school is currently acting as treasurer for the Wiltshire Association of Secondary and Special School Headteachers (WASSH) but these funds are held in a separate bank account operated by the school and do not form part of the school accounts.

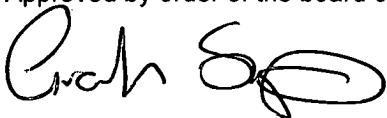
Auditor

In so far as the trustees are aware:

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

A resolution proposing that Moore Stephens (South) LLP be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the board of trustees on 08 December 2014 and signed on its behalf by:



G Sprigg

Chair from 1 September 2014

LAVINGTON SCHOOL LIMITED

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lavington School Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

LAVINGTON SCHOOL LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustees | Meetings attended | Out of possible |
|-----------------------------------------------------------------------------------------------|-------------------|-----------------|
| D Wilkinson (Chair) (Resigned 31 August 2014) | 5 | 5 |
| K Bate (Staff Trustee) | 5 | 5 |
| D Cook | 5 | 5 |
| J Dyer | 4 | 5 |
| A Holloway | 0 | 0 |
| J Howells | 0 | 0 |
| R Lee | 5 | 5 |
| J Middleton-Jones | 3 | 5 |
| E Oddy (Parent Trustee) | 5 | 5 |
| A Purcell | 4 | 4 |
| A Rogers (Parent Trustee) | 4 | 5 |
| J Shatford | 5 | 5 |
| G Sprigg (Chair from 1 September 2014) | 5 | 5 |
| K Stachiewicz (Parent Trustee) | 5 | 5 |
| N Wragg | 3 | 5 |
| A Downing (Staff Trustee, Company Secretary from 22/07/13 onwards) (Resigned 14 January 2014) | | |
| M Watson (Principal and Accounting Officer) | 5 | 5 |
| N Black (Appointed 11 December 2013) | 4 | 4 |
| P Stephenson (Staff Trustee) (Appointed 14 January 2014) | 2 | 3 |

Governance Review

Challenges to the governing body

The governors shared the same school challenge ie working towards the Ofsted inspection and "getting to good". Progress and information briefings were arranged, delivered by middle and senior leaders immediately before each of the five full governing body meetings during the year. This has given governors a very clear picture not only of the strengths and weaknesses of different departments, but also the action plan in place together with an accurate prediction for GCSE attainment in the summer.

The effectiveness of the governing body

- The effectiveness of the governing body was reviewed as part of the July 2014 Ofsted inspection, which judged leadership as outstanding.
- Governors audited the skills set of the full governing board, producing a matrix to demonstrate the spread of skills and distribution at committee level. At present, all committees have the benefit of appropriately qualified and experienced members but it was agreed the audit would be carried out annually to inform training and development requirements. The audit has also heightened awareness of the benefits of further interaction between and cross membership of committees

LAVINGTON SCHOOL LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The Business Management Committee is a committee of the main governing body. Its responsibilities are aligned with those of the School Business Manager and include

- Finance
- Strategic planning of non-academic aspects of the school
- Health and safety
- Site and resource management.

A focus this year was the new meeting room and reprographics room, which is an initial step towards a longer plan to improve and extend the staffroom.

Attendance at meetings in the year was as follows:

| Trustees | Meetings attended | Out of possible |
|-----------------------------------------------------------------------------------------------|-------------------|-----------------|
| D Cook | 5 | 5 |
| A Holloway | 5 | 5 |
| R Lee | 5 | 5 |
| A Downing (Staff Trustee, Company Secretary from 22/07/13 onwards) (Resigned 14 January 2014) | 5 | 5 |
| P Stephenson (Staff Trustee) (Appointed 14 January 2014) | 3 | 3 |

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lavington School Limited for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The governing body has reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the school's significant risks that has been in place for the year ending 31 August 2014 and up to the date of the approval of the annual report and financial statements. The process is regularly reviewed by the governing body.

The risk and control framework

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

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

The governing body has considered the need for a specific internal audit function and has decided to employ the services of Wiltshire Council for the duties of Responsible Officer.

LAVINGTON SCHOOL LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

The role includes performing a range of checks on the school's financial systems, visiting the school quarterly to carry out the checks and submit written reports to the Business Management Committee. Advice may also be given on financial matters and governing body's financial responsibilities. A different arrangement is in place from September 2014 due to the difficulty in arranging regularly spaced visits.

The function has been delivered in line with EFA requirements and no material control issues have arisen.

Review of effectiveness

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

- the work of the Responsible Officer
- the work of the external auditor;
- the work of the Business Management Committee
- Regular meetings with the School's Business Manager who has responsibility for the development and maintenance of the internal controls framework

The Accounting Officer is aware of the implications of the findings of all reviews. Only minor weaknesses have been identified at any point and these have all been addressed.

Approved by order of the board of trustees on 08 December 2014 and signed on its behalf by:



G Sprigg
Chair from 1 September
2014



M Watson
Principal and Accounting Officer

LAVINGTON SCHOOL LIMITED

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2014

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

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

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

Approved on 08 December 2014 and signed by:



M Watson
Accounting Officer

LAVINGTON SCHOOL LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these accounts, the trustees are required to:

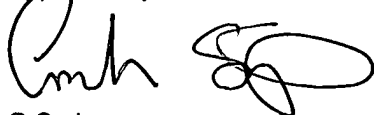
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 08 December 2014 and signed on its behalf by:



G Sprigg

Chair from 1 September 2014

LAVINGTON SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LAVINGTON SCHOOL LIMITED

We have audited the accounts of Lavington School Limited for the year ended 31 August 2014 set out on pages 21 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees, who are also the directors of Lavington School Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

LAVINGTON SCHOOL LIMITED

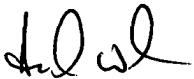
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LAVINGTON SCHOOL LIMITED

Matters on which we are required to report by exception

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

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



Andrew Williams (Senior Statutory Auditor)
Moore Stephens (South) LLP

Chartered Accountants
Statutory Auditor

33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Dated: 8 December 2014

LAVINGTON SCHOOL LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LAVINGTON SCHOOL LIMITED AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lavington School Limited during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Lavington School Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Lavington School Limited and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Lavington School Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lavington School Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lavington School Limited's funding agreement with the Secretary of State for Education dated 06 December 2010 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

LAVINGTON SCHOOL LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LAVINGTON SCHOOL LIMITED AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Williams

Reporting Accountant

Moore Stephens (South) LLP

Dated: 08 December 2014

LAVINGTON SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2014

| | | Unrestricted funds | Restricted funds | Fixed Asset fund | Total 2014 | Total 2013 |
|---------------------------------------------------------------|-------|-----------------------|---------------------|---------------------|-------------------|-------------------|
| | Notes | £ | £ | £ | £ | £ |
| Incoming resources | | | | | | |
| <i>Resources from generated funds</i> | | | | | | |
| - Voluntary income | 2 | 5,410 | 15,372 | - | 20,782 | 8,888 |
| - Activities for generating funds | 3 | 31,417 | 146,145 | - | 177,562 | 212,474 |
| - Investment income | 4 | 621 | - | - | 621 | 575 |
| <i>Resources from charitable activities</i> | | | | | | |
| - Funding for educational operations | 5 | - | 3,537,284 | 15,744 | 3,553,028 | 3,468,576 |
| Total incoming resources | | 37,448 | 3,698,801 | 15,744 | 3,751,993 | 3,690,513 |
| Resources expended | | | | | | |
| <i>Costs of generating funds</i> | | | | | | |
| <i>Charitable activities</i> | | | | | | |
| - Educational operations | 7 | 29,255 | 3,510,570 | 333,309 | 3,873,134 | 3,778,813 |
| Governance costs | 8 | - | 36,030 | - | 36,030 | 26,048 |
| Total resources expended | 6 | 29,255 | 3,546,600 | 333,309 | 3,909,164 | 3,804,861 |
| Net incoming/(outgoing) resources before transfers | | 8,193 | 152,201 | (317,565) | (157,171) | (114,348) |
| Gross transfers between funds | | (198,578) | 25,913 | 172,665 | - | - |
| Net income/(expenditure) for the year | | (190,385) | 178,114 | (144,900) | (157,171) | (114,348) |
| Other recognised gains and losses | | | | | | |
| Actuarial gains/(losses) on defined benefit pension scheme | 17 | - | (226,000) | - | (226,000) | 38,000 |
| Net movement in funds | | (190,385) | (47,886) | (144,900) | (383,171) | (76,348) |
| Fund balances at 1 September 2013 | | 190,385 | (272,432) | 11,025,677 | 10,943,630 | 11,019,978 |
| Fund balances at 31 August 2014 | | - | (320,318) | 10,880,777 | 10,560,459 | 10,943,630 |

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

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

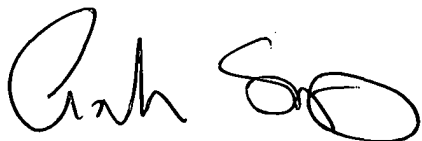
LAVINGTON SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2014

| | Notes | 2014 £ | £ | 2013 £ | £ |
|-------------------------------------------------------|-------|-----------|------------|-----------|------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 10,880,777 | | 11,025,677 |
| Current assets | | | | | |
| Debtors | 12 | 134,899 | | 103,069 | |
| Cash at bank and in hand | | 232,732 | | 277,261 | |
| | | 367,631 | | 380,330 | |
| Creditors: amounts falling due within one year | 13 | (83,949) | | (97,377) | |
| Net current assets | | | 283,682 | | 282,953 |
| Total assets less current liabilities | | | 11,164,459 | | 11,308,630 |
| Defined benefit pension liability | 17 | (604,000) | | (365,000) | |
| Net assets | | | 10,560,459 | | 10,943,630 |
| Funds of the academy trust: | | | | | |
| Restricted income funds | 15 | | | | |
| - Fixed asset funds | | | 10,880,777 | | 11,025,677 |
| - General funds | | | 283,682 | | 92,568 |
| - Pension reserve | | | (604,000) | | (365,000) |
| Total restricted funds | | | 10,560,459 | | 10,753,245 |
| Unrestricted funds | 15 | | - | | 190,385 |
| Total funds | | | 10,560,459 | | 10,943,630 |

The accounts were approved by order of the board of trustees and authorised for issue on 08 December 2014. and are signed on their behalf by:



G Sprigg
Chair from 1 September 2014

Company Number 07452837

LAVINGTON SCHOOL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

| | | 2014 | 2013 |
|---------------------------------------------------------------------------------------|-----------|-----------|----------|
| | Notes | £ | £ |
| Net cash inflow/(outflow) from operating activities | 18 | 127,541 | 187,680 |
| Returns on investments and servicing of finance | | | |
| Investment income | 621 | 575 | |
| Financing costs | (25) | (55) | |
| Net cash inflow/(outflow) from returns on investments and servicing of finance | | 596 | 520 |
| | | 128,137 | 188,200 |
| Capital expenditure and financial investments | | | |
| Capital grants received | 15,744 | 15,645 | |
| Payments to acquire tangible fixed assets | (188,410) | (63,934) | |
| Net cash flow from capital activities | | (172,666) | (48,289) |
| Increase/(decrease) in cash | 19 | (44,529) | 139,911 |

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the academy trust 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 the value of the donation is measurable.

Donations

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

Other income

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

Donated services and gifts in kind

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.

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

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.

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 academy trust's depreciation policy.

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

| | |
|--------------------------------|-------------------|
| Land and buildings | 2% Straight line |
| Computer equipment | 33% Straight line |
| Fixtures, fittings & equipment | 33% Straight line |

1.6 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

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

1.8 Fund accounting

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

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

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

2 Voluntary income

| | Unrestricted funds £ | Restricted funds £ | Total 2014 £ | Total 2013 £ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Other donations | 5,410 | 15,372 | 20,782 | 8,888 |

3 Activities for generating funds

| | Unrestricted funds £ | Restricted funds £ | Total 2014 £ | Total 2013 £ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities (can modify) | 31,417 | - | 31,417 | 76,269 |
| Catering income | - | 131,537 | 131,537 | 114,560 |
| Other restricted income | - | 14,608 | 14,608 | 21,645 |
| | 31,417 | 146,145 | 177,562 | 212,474 |

4 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2014 £ | Total 2013 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 621 | - | 621 | 575 |

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

5 Funding for the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2014 £ | Total 2013 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE / EFA grants | | | | |
| General annual grant (GAG) | - | 3,336,327 | 3,336,327 | 3,325,193 |
| Capital grants | - | 15,744 | 15,744 | 15,645 |
| Other DfE / EFA grants | - | 115,172 | 115,172 | 102,738 |
| | - | 3,467,243 | 3,467,243 | 3,443,576 |
| Other government grants | | | | |
| Local authority grants | - | 17,478 | 17,478 | - |
| Other grants | - | 68,307 | 68,307 | 25,000 |
| | - | 85,785 | 85,785 | 25,000 |
| Total funding | - | 3,553,028 | 3,553,028 | 3,468,576 |

All resources expended are inclusive of irrecoverable VAT.

6 Resources expended

| | Staff costs £ | Premises & equipment £ | Other costs £ | Total 2014 £ | Total 2013 £ |
|-----------------------------------------|---------------------|------------------------------|---------------------|--------------------|--------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 2,352,752 | 333,309 | 291,707 | 2,977,768 | 2,891,965 |
| - Allocated support costs | 448,066 | 156,502 | 290,798 | 895,366 | 886,848 |
| | 2,800,818 | 489,811 | 582,505 | 3,873,134 | 3,778,813 |
| Other expenditure | | | | | |
| Governance costs | - | - | 36,030 | 36,030 | 26,048 |
| Total expenditure | 2,800,818 | 489,811 | 618,535 | 3,909,164 | 3,804,861 |

Incoming/outgoing resources for the year include:

| | 2014 £ | 2013 £ |
|-------------------------|-----------|-----------|
| Operating leases | | |
| - Other | 28,303 | 28,183 |
| Fees payable to auditor | | |
| - Audit | 3,975 | 3,900 |
| - Other services | 1,384 | 4,266 |
| - Responsible officer | 1,218 | 348 |

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

7 Charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2014 £ | Total 2013 £ |
|----------------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Direct costs | | | | |
| Teaching and educational support staff costs | - | 2,343,999 | 2,343,999 | 2,304,691 |
| Depreciation | - | 333,309 | 333,309 | 313,196 |
| Technology costs | - | 142,276 | 142,276 | 86,645 |
| Educational supplies and services | - | 83,175 | 83,175 | 90,255 |
| Examination fees | - | 48,291 | 48,291 | 43,910 |
| Staff development | - | 8,753 | 8,753 | 15,331 |
| Other direct costs | - | 17,965 | 17,965 | 37,937 |
| | - | 2,977,768 | 2,977,768 | 2,891,965 |
| Allocated support costs | | | | |
| Support staff costs | - | 448,066 | 448,066 | 433,065 |
| Technology costs | - | 2,879 | 2,879 | 3,286 |
| Recruitment and support | - | 19,506 | 19,506 | 13,342 |
| Maintenance of premises and equipment | - | 156,502 | 156,502 | 177,341 |
| Cleaning | - | 13,472 | 13,472 | 11,093 |
| Energy costs | - | 56,555 | 56,555 | 61,512 |
| Rent and rates | - | 28,303 | 28,303 | 28,183 |
| Insurance | - | 46,503 | 46,503 | 51,212 |
| Security and transport | - | 8,326 | 8,326 | 11,847 |
| Catering | - | 69,170 | 69,170 | 57,034 |
| Interest and finance costs | - | 3,025 | 3,025 | 9,055 |
| Other support costs | 29,255 | 13,804 | 43,059 | 29,878 |
| | 29,255 | 866,111 | 895,366 | 886,848 |
| Total costs | 29,255 | 3,843,879 | 3,873,134 | 3,778,813 |

8 Governance costs

| | Unrestricted funds £ | Restricted funds £ | Total 2014 £ | Total 2013 £ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Legal and professional fees | - | 31,581 | 31,581 | 22,148 |
| Auditor's remuneration | - | | | |
| - Audit of financial statements | - | 3,975 | 3,975 | 3,900 |
| Support staff costs | - | 474 | 474 | - |
| | - | 36,030 | 36,030 | 26,048 |

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

9 Staff costs

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

| | 2014 Number | 2013 Number |
|----------------------------|----------------|----------------|
| Teachers | 41 | 39 |
| Administration and support | 35 | 32 |
| Management | 5 | 5 |
| | <u>81</u> | <u>76</u> |

Costs included within the accounts:

| | 2014 £ | 2013 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,595,340 | 2,240,052 |
| Social security costs | 155,853 | 155,257 |
| Other pension costs | 15,833 | 327,245 |
| | <u>2,767,026</u> | <u>2,722,554</u> |
| Supply teacher costs | 25,039 | 9,452 |
| Compensation payments | - | 5,750 |
| | <u>2,792,065</u> | <u>2,737,756</u> |

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

| | 2014 Number | 2013 Number |
|-------------------|----------------|----------------|
| £80,001 - £90,000 | <u>1</u> | <u>1</u> |

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

| | | 2014 | 2013 |
|---------------------------------|---------|---------------|---------------|
| Teachers' Pension Scheme | Numbers | 1 | 1 |
| | £ | <u>12,026</u> | <u>11,595</u> |
| Local Government Pension Scheme | Numbers | - | - |
| | £ | <u>-</u> | <u>-</u> |

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

10 Trustees' remuneration and expenses

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £561 (2013: £281) were reimbursed to one trustees (2013: two trustees).

The value of trustees' remuneration was as follows:

M Watson (Principal and Trustee) £95,000 - £100,000 (2013: £80,000 - £85,000)

A Downing (Bursar and Trustee) £50,000 - £55,000 (2013: £40,000 - £45,000)

K Bate (Trustee) £10,000 - £15,000 (2013: £10,000 - £15,000)

P Stephenson (Teacher and Trustee) £20,000 - £25,000 (2013: £Nil)

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

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £75 (2013: £71).

11 Tangible fixed assets

| | Land and buildings | Computer equipment | Fixtures, fittings & equipment | Total |
|-----------------------|-----------------------|-----------------------|--------------------------------------|------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 September 2013 | 11,618,317 | 256,770 | 27,465 | 11,902,552 |
| Additions | 80,353 | 56,846 | 51,210 | 188,409 |
| At 31 August 2014 | 11,698,670 | 313,616 | 78,675 | 12,090,961 |
| Depreciation | | | | |
| At 1 September 2013 | 683,157 | 177,322 | 16,396 | 876,875 |
| Charge for the year | 233,973 | 77,085 | 22,251 | 333,309 |
| At 31 August 2014 | 917,130 | 254,407 | 38,647 | 1,210,184 |
| Net book value | | | | |
| At 31 August 2014 | 10,781,540 | 59,209 | 40,028 | 10,880,777 |
| At 31 August 2013 | 10,935,160 | 79,448 | 11,069 | 11,025,677 |

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

11 Tangible fixed assets

(Continued)

The land and buildings were valued on the depreciated replacement cost method in an exercise undertaken by the Education Funding Agency as at the 31 August 2012. The land is valued at £1,505,969 and the buildings at £10,112,351. The Academy has not obtained a separate valuation. The Academy did not consider it an effective use of public funds to obtain an additional valuation. The property is insured for a re build cost of £14,171,639.

The academy has made improvements to the reprographics suite and an extension to the meeting room with a total building cost of £88,353.

| 12 Debtors | 2014 £ | 2013 £ |
|--------------------------------|----------------|----------------|
| VAT recoverable | 55,757 | 33,079 |
| Other debtors | 698 | 780 |
| Prepayments and accrued income | 78,444 | 69,210 |
| | <u>134,899</u> | <u>103,069</u> |

| 13 Creditors: amounts falling due within one year | 2014 £ | 2013 £ |
|---------------------------------------------------|---------------|---------------|
| Trade creditors | 33,527 | 28,388 |
| Accruals | 21,845 | 31,529 |
| Deferred income | 28,577 | 37,460 |
| | <u>83,949</u> | <u>97,377</u> |

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

| 14 | Deferred income | 2014 £ | 2013 £ |
|----|-----------------------------------------------------------|---------------|---------------|
| | Deferred income is included within: | | |
| | Creditors due within one year | 28,577 | 37,460 |
| | Total deferred income at 1 September 2013 | 37,460 | 25,723 |
| | Amounts credited to the statement of financial activities | (37,640) | (25,723) |
| | Amounts deferred in the year | 28,577 | 37,460 |
| | Total deferred income at 31 August 2014 | 28,397 | 37,460 |

At the balance sheet date the academy trust was holding funds received in advance for the following;

| | |
|--------------------------|---------|
| Parent Pay Income | £6,364 |
| Devolved Formula Capital | £9,224 |
| Rates | £10,678 |
| ELP Top up | £1,217 |
| Other | £1,094 |

| 15 | Funds | Balance at 1 September 2013 £ | Incoming resources £ | Resources Gains, losses expended and transfers £ | Balance at 31 August 2014 £ |
|----|-------------------------------------|----------------------------------------|----------------------------|--------------------------------------------------------|-----------------------------------|
| | Restricted general funds | | | | |
| | General Annual Grant | (33,992) | 3,336,327 | (3,044,566) | 25,913 |
| | Other DfE / EFA grants | - | 115,172 | (115,172) | - |
| | Other government grants | 12,000 | 85,785 | (97,785) | - |
| | Other restricted funds | 114,560 | 161,517 | (276,077) | - |
| | Funds excluding pensions | 92,568 | 3,698,801 | (3,533,600) | 25,913 |
| | Pension reserve | (365,000) | - | (13,000) | (226,000) |
| | | (272,432) | 3,698,801 | (3,546,600) | (200,087) |
| | Restricted fixed asset funds | | | | |
| | DfE / EFA capital grants | 11,025,677 | 15,744 | (333,309) | 172,665 |
| | Total restricted funds | 10,753,245 | 3,714,545 | (3,879,909) | (27,422) |
| | Unrestricted funds | | | | |
| | General funds | 190,385 | 37,448 | (29,255) | (198,578) |
| | Total funds | 10,943,630 | 3,751,993 | (3,909,164) | (226,000) |

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

15 Funds

(Continued)

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

The fixed asset fund was created with the donation of the schools land and buildings to the academy. Additional assets are added to the fund which is also written down by depreciation each year.

The restricted general funds are made up of the General Annual Grant received, to be spent on education within the academy, and other related DfE of other authority grants.

Unrestricted funds are general donations and fund raising activities of the academy and are used to support the provision of education within the academy.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

16 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted funds £ | Fixed asset funds £ | Total funds £ |
|------------------------------------------------------------|----------------------------|--------------------------|---------------------------|-------------------|
| Fund balances at 31 August 2014 are represented by: | | | | |
| Tangible fixed assets | - | - | 10,880,777 | 10,880,777 |
| Current assets | 7,184 | 360,447 | - | 367,631 |
| Creditors: amounts falling due within one year | (7,184) | (76,765) | - | (83,949) |
| Defined benefit pension liability | - | (604,000) | - | (604,000) |
| | <u>-</u> | <u>(320,318)</u> | <u>10,880,777</u> | <u>10,560,459</u> |

17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

17 Pensions and similar obligations

(Continued)

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015. A copy of the valuation report and supporting information is on the Teachers' Pensions website.

Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

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

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme, and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Pensions and similar obligations

(Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.2 per cent for employers and 5.5 to 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £106,000.

The Academy has agreed to pay the default contributions rates using contribution rate relief, these future rates are as follows:

| Period | Employer Contribution Rate | Annual Monetary Amount |
|-----------|----------------------------|------------------------|
| 2014/2015 | 19.2% | £14,000 |
| 2015/2016 | 19.5% | £17,000 |
| 2016/2017 | 19.8% | £20,000 |

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

| | 2014 £ | 2013 £ |
|--------------------------|----------------|----------------|
| Employer's contributions | 101,000 | 101,000 |
| Employees' contributions | 27,000 | 28,000 |
| Total contributions | <u>128,000</u> | <u>129,000</u> |

Principal actuarial assumptions

| | 2014 % | 2013 % |
|------------------------------------------|------------|------------|
| Rate of increase in salaries | 4.4 | 5.1 |
| Rate of increase for pensions in payment | 2.6 | 2.8 |
| Discount rate for scheme liabilities | 3.7 | 4.6 |
| Commutations of pensions to lump sums | <u>50%</u> | <u>50%</u> |

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

17 Pensions and similar obligations

(Continued)

Change in assumptions at 31st August 2014

| | Approximate % increase in employer liability | Approximate monetary amount (£000) |
|--------------------------------------------|-------------------------------------------------|---------------------------------------|
| 0.5% decrease in Real Discount Rate | 10% | 202 |
| 1 year increase in member life expectancy | 3% | 58 |
| 0.5% increase in the Salary Increase Rate | 4% | 73 |
| 0.5% increase in the Pension Increase Rate | 6% | 124 |

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

| | 2014 Years | 2013 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 22 | 21 |
| - Females | 25 | 24 |
| Retiring in 20 years | | |
| - Males | 24 | 23 |
| - Females | 27 | 26 |

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

| | 2014 Expected return % | 2014 Fair value £ | 2013 Expected return % | 2013 Fair value £ |
|----------------------------------------------|---------------------------------|-------------------------|---------------------------------|-------------------------|
| Equities | 6.3 | 945,000 | 6.6 | 777,000 |
| Bonds | 3.4 | 226,000 | 4.1 | 162,000 |
| Cash | 3.3 | 27,000 | 3.6 | 32,000 |
| Property | 4.5 | 133,000 | 4.7 | 108,000 |
| Total market value of assets | | 1,331,000 | | 1,079,000 |
| Present value of scheme liabilities - funded | | (1,935,000) | | (1,444,000) |
| Net pension asset / (liability) | | (604,000) | | (365,000) |

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (ie As at 1 September 2013 for the year to 31 August 2014). The return on gilts and other bonds are assumed to be gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on the scheme assets was £177,000 (2013: £110,000).

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

17 Pensions and similar obligations

(Continued)

Operating costs and income recognised in the statement of financial activities

| | 2014 £ | 2013 £ |
|------------------------------------------|---------------|---------------|
| Financial expenditure/(income) | | |
| Expected return on pension scheme assets | (66,000) | (43,000) |
| Interest on pension liabilities | 69,000 | 52,000 |
| | <u>3,000</u> | <u>9,000</u> |
| Other expenditure/(income) | | |
| Current service cost | 10,000 | 8,000 |
| Past service cost | - | - |
| | <u>10,000</u> | <u>8,000</u> |
| Total operating charge/(income) | <u>13,000</u> | <u>17,000</u> |

Actuarial gains and losses recognised in the statement of financial activities

| | 2014 £ | 2013 £ |
|-----------------------------------------------------------------|--------------------|-------------------|
| Actuarial (gains)/losses on assets: actual return less expected | 226,000 | (38,000) |
| Experience (gains)/losses on liabilities | - | - |
| (Gains)/losses arising from changes in assumptions | - | - |
| | <u>226,000</u> | <u>(38,000)</u> |
| Total (gains)/losses | <u>226,000</u> | <u>(38,000)</u> |
| Cumulative (gains)/losses to date | <u>258,000</u> | <u>32,000</u> |

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

| | 2014 £ | 2013 £ |
|-------------------------------------|--------------------|--------------------|
| Opening defined benefit obligations | (1,444,000) | (1,199,000) |
| Current service cost | (111,000) | (109,000) |
| Interest cost | (69,000) | (52,000) |
| Contributions by employees | (27,000) | (28,000) |
| Actuarial gains/(losses) | (320,000) | (31,000) |
| Benefits paid | 36,000 | (25,000) |
| | <u>(1,935,000)</u> | <u>(1,444,000)</u> |

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

17 Pensions and similar obligations

(Continued)

Movements in the fair value of the academy trust's share of scheme assets:

| | 2014 £ | 2013 £ |
|-------------------------------------|------------------|------------------|
| Opening fair value of scheme assets | 1,079,000 | 813,000 |
| Expected return on assets | 66,000 | 43,000 |
| Actuarial gains/(losses) | 94,000 | 69,000 |
| Contributions by employers | 101,000 | 101,000 |
| Contributions by employees | 27,000 | 28,000 |
| Benefits paid | (36,000) | 25,000 |
| | <u>1,331,000</u> | <u>1,079,000</u> |

History of experience gains and losses:

| | 2014 £ | 2013 £ |
|----------------------------------------------|------------------|------------------|
| Present value of defined benefit obligations | (1,935,000) | (1,444,000) |
| Fair value of share of scheme assets | <u>1,331,000</u> | <u>1,079,000</u> |
| Surplus / (deficit) | <u>(604,000)</u> | <u>(365,000)</u> |
| Experience adjustment on scheme liabilities | (320,000) | (31,000) |
| Experience adjustment on scheme assets | <u>94,000</u> | <u>69,000</u> |

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

| | 2014 £ | 2013 £ |
|-----------------------------------------------------|----------------|----------------|
| Net income | (157,170) | (114,348) |
| Capital grants and similar income | (15,744) | (15,645) |
| Investment income | (621) | (575) |
| Financing costs | 25 | 55 |
| FRS17 pension costs less contributions payable | 10,000 | 8,000 |
| FRS17 pension finance income | 3,000 | 9,000 |
| Depreciation of tangible fixed assets | 333,309 | 313,196 |
| (Increase)/decrease in debtors | (31,830) | 49,920 |
| Increase/(decrease) in creditors | (13,428) | (61,923) |
| Net cash inflow/(outflow) from operating activities | <u>127,541</u> | <u>187,680</u> |

LAVINGTON SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

| 19 | Reconciliation of net cash flow to movement in net funds | 2014 £ | 2013 £ |
|----|----------------------------------------------------------|-----------|-----------|
| | Increase/(decrease) in cash | (44,529) | 139,911 |
| | Net funds at 1 September 2013 | 277,261 | 137,350 |
| | Net funds at 31 August 2014 | 232,732 | 277,261 |

| 20 | Analysis of net funds | At 1 September 2013 £ | Cash flows £ | Non-cash changes £ | At 31 August 2014 £ |
|----|--------------------------|--------------------------------|-----------------|--------------------------|---------------------------|
| | Cash at bank and in hand | 277,261 | (44,529) | - | 232,732 |

21 Commitments under operating leases

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

| | 2014 £ | 2013 £ |
|------------------------------|-----------|-----------|
| Expiry date: | | |
| - Within one year | 2,368 | - |
| - Between two and five years | 5,174 | 22,140 |
| | 7,542 | 22,140 |

22 Related parties

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

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

23 Members' liability

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