

BOWLAND HIGH ACADEMY TRUST
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2014

Company Limited by Guarantee
Registration Number:
07678864 (England and Wales)



BOWLAND HIGH ACADEMY TRUST

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BOWLAND HIGH ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

Company Registration Number 07678864

Principal Office & Registered Office Bowland High Academy Trust
Riversmead
Grindleton
Clitheroe
Lancashire
BB7 4QS

Directors/Governors/Trustees	J Tarbox	Headteacher
	P Grange	Chair of Governors
	S Baier	Parent Governor
	S Bell	Parent Governor
	S Neville	Parent Governor
	K Swales	Parent Governor
	R Corbin	Community Governor
	P Hatch	Community Governor
	J Houldsworth	Community Governor
	R Park	Community Governor
	J Robinson	Community Governor (Vice Chair)
	J Wright	Community Governor
	H Dakin	Non Teaching Staff Governor
	J Simmonds	Teaching Staff Governor

Members P Grange
V Townson
J Tarbox

Company Secretary P Atkinson

Clerk to Governing Body LCC Governor Services

Head Teacher J Tarbox

Auditors Baker Tilly UK Audit LLP
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Bankers Lloyds TSB Bank Plc
Fishergate Preston Branch
PO Box 1000
BX1 1LT

BOWLAND HIGH ACADEMY TRUST

GOVERNORS AND ACCOUNTING OFFICERS ANNUAL REPORT 31 AUGUST 2014

The Governors, who are also directors for the purposes of company law, present their report together with the financial statements and auditor's report of the charitable company for the period to 31 August 2014.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in the Ribble Valley, mainly to the north and east of the town of Clitheroe. It has a net minimum pupil capacity of 488 and maximum capacity of 543 (based on an assessment undertaken in February 2011) and had a roll of 560 in the school census on 15th May 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 governors act as trustees for the charitable activities of Bowland High Academy Trust. Trust board members are the directors of the charitable company for the purpose of company law.

Details of the governors who served throughout the year except as noted 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 whilst 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 £10, for the debts and liabilities contracted before he/she ceased to be a member.

Governors' Indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover of up to £2,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Governors

Trust board members, who are the directors of the Charitable Company for the purpose of company law, are nominated by either the Secretary of State, the Chairman of Governors or by all of the existing members. The articles of Association require the trust board members to appoint Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The Articles of Association contain provisions for the appointment of additional governors including staff governors, parent governors and community governors. There is no maximum number of governors.

Governors are appointed for a fixed term of 4 years but are eligible for re-election at the end of the fixed term.

The Governing body currently comprises 13, 2 of whom are also Members - the Headteacher and Chair of Governors. The governors include staff, parents and community governors. All governors serve on one or other of the main committees – Resources, Audit & Risk & Learning & Teaching. Several governors also serve on the Strategy committee.

Policies and Procedures Adopted for the Induction and Training of Governors

New Governors receive induction training and support from the Clerk to the Governing Body.

BOWLAND HIGH ACADEMY TRUST

GOVERNORS AND ACCOUNTING OFFICERS ANNUAL REPORT 31 AUGUST 2014

Organisational Structure

The governing body roles and responsibilities were reviewed in August 2011.

The Governors are organised into four committees who form policy to be agreed at main governing body meetings. The bodies comprise Learning and Teaching, Resources, Audit & Risk and Strategy.

The Governors are responsible for setting general policy, including working with the senior leadership team to help develop the vision, aims and ethos of the Academy and the monitoring of academic standards, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. During the period under review, full governing body meetings and Audit and Risk Committee meetings were held termly and the learning and teaching and resources committees met every other month. The Strategy Committee met as and when required.

All Governors have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their governing body duties.

The Responsible Officer has monitored the academy's financial systems and procedures and makes regular reports to the governing body, attending all meetings of the Audit and Risk Committee. The governing body approves the Statutory Accounts. The levels of authorisation of budget spend are detailed in the Internal Financial Regulations.

The day to day management of the Academy is delegated by the governing body to the Headteacher who is the Accounting Officer. The Headteacher is supported by the Senior Leadership Team.

Risk Management

The governors have assessed the major risks to which the Academy is exposed, in particular, those relating to the operational areas of the site and facilities and of teaching and the finances. The governors have implemented a system to assess the risks the school faces, especially in the operational areas which include teaching and health and safety and in relation to the control of finance. The governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the statement on Internal Control.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or hold significant influence over the decisions or operations of Bowland High Academy Trust. There are currently no sponsors.

The Academy works closely with parents to further the principal activities of the academy, including many of the primary schools located in its catchment area.

The Academy works with a number of schools and school networks locally, nationally and internationally, to further the principal activities of the Academy.

BOWLAND HIGH ACADEMY TRUST

GOVERNORS AND ACCOUNTING OFFICERS ANNUAL REPORT 31 AUGUST 2014

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Bowland High Academy Trust.

In accordance with the Articles of Association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy and the priority area from which the pupils are drawn.

The Academy Trust's object ("the Object") is specifically restricted to the following:

- a) 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 ("the Academy"); and
- b) to promote for the benefit of individuals living in the Ribble Valley and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals

Objectives, strategies and activities

The main objectives of the Academy during the period ended 31 August 2014 can be summed up as follows:

Our Mission Statement is '**Tradition, care and challenge**'

Tradition – a school founded on mutual respect and responsibility with high standards of behaviour. It is forward-looking but also proud of, and true to, its heritage.

Care – an inclusive environment where each individual is known, valued and nurtured, and in turn learns to care for other members of the community and the environment.

Challenge – a community where all members are encouraged and supported to achieve their very best and which seeks to develop the whole person.

This means we:

- are a welcoming and inclusive community respectful of individuality and diversity
- know every single person well and can provide a genuine personal touch
- have a concern for equality of opportunity at all times
- deliver academic and extra-curricular excellence
- are committed to developing the full potential of all of our pupils and staff
- monitor progress carefully and provide appropriate support for everyone

So that our pupils:

- are happy and stay safe
- develop into responsible citizens who make informed judgements
- are confident and creative and develop enquiring minds
- become self-disciplined and adaptable team players and leaders
- are encouraged to make a difference locally and globally
- embrace both challenge and change

BOWLAND HIGH ACADEMY TRUST

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The academy is working towards achievement of the following goals by July 2016:

- Bowland High will once again be an outstanding school
- Overall pupil attainment and progress will place the school in the top five per cent of schools nationally;
- Progress of all groups of Learners will be at least good, with the majority being outstanding;
- Behaviour and social, moral, cultural and spiritual development will remain high priorities;
- All teaching will be good with the majority of lessons being outstanding;
- Use of new technologies will be a regular feature of learning across all curriculum areas;
- Bowland High will have established local, national and international links and make a significant contribution to its communities;
- The school will have a rebuilt main building and all facilities will be fit for purpose;
- Bowland High's outstanding reputation will secure a full and inclusive intake;
- Leadership will be outstanding with the capacity to respond to a changing educational landscape;
- Excellent Governance will continue to have a significant impact;
- Bowland High will continue to be financially sustainable;
- Safeguarding will be at the heart of all that we do;
- Bowland will play a lead school in the East Lancs Teaching Alliance and be ready to apply for teaching school status.

Specific priorities for the last 12 months have been:

- Raise attainment and achievement levels in English
- Complete a full curriculum review
- Develop and implement new whole school tracking policy and systems
- Development of study skills to increase retention of factual knowledge, exam technique
- Full review of all safeguarding policies and systems
- Ensure main building is rebuilt with minimum possible disruption to learning by March 2015 deadline

Public Benefit

We have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Total numbers on roll in the period ended 31 August 2014 numbered 560, and the Academy is full in all year groups. Bowland has a standard admission number (admission September 2014) of 110. The admission number for years 9, 10 and 11 was 105. The school has been heavily oversubscribed in the last five years and has historically filled up on first preferences. This continues to be the case.

Performance of pupils at key stage 4 improved in the year to 2013 (and has since improved further in 2014). 73% of pupils secured 5 GCSE grades at grade C or above including English and maths, well above the national figure. Progress levels in maths continue to be excellent with 88% of pupils making expected progress and 66% of pupils making more than expected progress – in both cases far in excess of the national figure. English improved significantly from 64% making expected progress in 2012 to 73% making expected progress in 2013. This is above the national figure, though the numbers of pupils making above expected progress (29%) is a percentage point below the national figure. Further improvement of achievement in English has remained a priority in 2013-14.

Pupils in receipt of the pupil premium make (on average) slightly lower levels of progress in English and maths than pupils who are not in receipt of the pupil premium. However, the gap narrowed in 2012-13 and the picture at Bowland High is more positive than the national picture.

Percentage of candidates achieving 5 or more A* to C (including English and mathematics) at GCSE and Equivalent

Statistical significance tests have been performed on the data using a 95% confidence interval. Where the school value differs significantly from the corresponding national value for this group, sig+ or sig- is shown. Where a school figure is significantly above or below that of the previous year an up or down arrow is displayed to the right of the figure.

Percentage of pupils achieving 5 or more A* to C (inc English and mathematics) at GCSE and equivalent



% achieving 5 or more A* to C (inc English and Maths)	2011	2012	2013
Cohort	101	111	112
School	78	69	73
National	57	58	60
Difference	21	11	13
Significance	Sig+	Sig-	Sig+

Expected Progress in maths Key Stage 2 to Key Stage 4

This table shows the number of pupils attaining each mathematics Key Stage 4 grade and their corresponding mathematics Key Stage 2 prior attainment. These figures should be compared with the national figures provided in the Transition Matrices held in the library on the RAISEonline website.

Number of Pupils		Key Stage 4 Mathematics grade										Total No. of Pupils	Number Achieving Expected Progress	School % Achieving Expected Progress	National % Achieving Expected Progress	Number Achieving More Than Expected Progress	School % Achieving More Than Expected Progress	National % Achieving More Than Expected Progress
		no KS4 result	U	G	F	E	D	C	B	A	A*							
KS2 Mathematics attainment	Other or no prior available	0	0	0	0	0	0	0	0	0	0	0	0	0%	54%	0	0%	29%
	W	0	0	0	0	0	0	0	0	0	0	0	0	0%	2%	0	0%	2%
	1	0	1	0	0	0	0	0	0	0	0	1	0	0%	15%	0	0%	7%
	2	0	0	2	0	0	0	0	0	0	0	2	0	0%	18%	0	0%	9%
	3	1	0	0	0	2	4	3	0	0	0	10	7	70%	44%	3	30%	23%
	4	1	0	0	0	1	5	18	15	15	2	57	50	88%	77%	32	56%	26%
5		0	0	0	0	0	0	1	3	22	16	42	41	98%	81%	38	90%	50%
Summary												112	98	88%	70%	73	65%	32%

Key

represents pupils making more than expected progress
 represents pupils making expected progress
 represents pupils making less than expected progress
 indicates pupils whose progress could not be determined and who have therefore been excluded from the school calculation. These pupils are included in the figure for the total cohort

Total Cohort	112
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Full details of the methodology used can be found in the Library.

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Expected Progress in English Key Stage 2 to Key Stage 4

This table shows the number of pupils attaining each English (English GCSE or English language and English literature) Key Stage 4 grade and their corresponding English Key Stage 2 prior attainment. These figures should be compared with the national figures provided in the Transition Matrices held in the library on the RAISEonline website.

Number of Pupils		Key Stage 4 English grade										Total No. of Pupils	Number Achieving Expected Progress	School % Achieving Expected Progress	National % Achieving Expected Progress	Number Achieving More Than Expected Progress	School % Achieving More Than Expected Progress	National % Achieving More Than Expected Progress
		no KS4 result	U	G	F	E	D	C	B	A	A*							
KS2 English attainment	Other or no prior available	0	0	0	0	0	0	0	0	0	0	0	0	0%	46%	0	0%	20%
	W	0	0	0	0	0	0	0	0	0	0	0	0	0%	3%	0	0%	3%
	1	1	0	0	0	0	0	0	0	0	0	1	0	0%	37%	0	0%	22%
	2	1	0	0	0	1	1	0	0	0	0	3	2	67%	48%	1	33%	21%
	3	0	0	0	1	1	5	0	0	0	0	7	5	71%	55%	0	0%	21%
	4	1	0	0	0	0	14	26	12	2	0	55	40	73%	71%	14	25%	27%
5		0	0	0	0	0	1	10	17	12	6	46	35	76%	79%	18	39%	43%
Summary												112	82	73%	69%	33	29%	30%

Key

represents pupils making more than expected progress

represents pupils making expected progress

represents pupils making less than expected progress

indicates pupils whose progress could not be determined and who have therefore been excluded from the school calculation. These pupils are included in the figure for the total cohort

Total Cohort	112
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Full details of the methodology used can be found in the Library.

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The table below shows progress in the 5 subjects that form the English baccalaureate. Pupils at Bowland continue to make excellent progress in maths and science. Overall levels of progress in English remain just below national averages in 2013, something that continued to impact significantly on the school's overall progress indicators, and which has been a key focus for improvement during 2013-14. There was also a dip in overall progress in MFL, specifically in German.

Key Stage 2 to Key Stage 4 value added scores for Best 8 and Ebacc subject areas

		2011	2012	2013
Best 8	Cohort for VA	101	109	112
	VA School score	1,012.5	1,002.2	1,002.4
	95% confidence interval +/-	12.7	11.9	11.4
	Significance			
	Percentile rank	27	46	47
	Coverage	100%	98%	100%
English	Cohort for VA	101	109	112
	VA School score	1,003.3	999.6	999.6
	95% confidence interval +/-	1.3	1.3	1.2
	Significance	Sig+		
	Percentile rank	7	58	61
	Coverage	100%	98%	100%
Mathematics	Cohort for VA	101	109	112
	VA School score	1,005.3	1,004.8	1,003.5
	95% confidence interval +/-	1.3	1.2	1.2
	Significance	Sig+	Sig+	Sig+
	Percentile rank	2	3	5
	Coverage	100%	98%	100%
Science	Cohort for VA	100	98	101
	VA School score	1,004.5	1,004.4	1,004.1
	95% confidence interval +/-	1.1	1.1	1.1
	Significance	Sig+	Sig+	Sig+
	Percentile rank	3	4	5
	Coverage	99%	88%	90%
Languages	Cohort for VA	24	35	80
	VA School score	1,001.7	1,003.7	998.7
	95% confidence interval +/-	2.8	2.4	1.6
	Significance		Sig+	
	Percentile rank	30	15	67
	Coverage	24%	32%	71%
Humanities	Cohort for VA	52	59	86
	VA School score	1,001.6	1,002.1	1,001.2
	95% confidence interval +/-	2.1	2.0	1.7
	Significance		Sig+	
	Percentile rank	32	25	38
	Coverage	51%	53%	77%

1. Science takes the average grade of the two eligible science qualifications

2. Humanities and Languages subject areas take the best score of all eligible qualifications

Attainment and Progress scores demonstrate that Bowland continues to be a high performing school in terms of both measures.

Attainment Summary Summer 2013-14

Aspect	2013 results	2014 targets	Summer 2014 actual
5 A*-C with English/maths (all)	73%	80%	78%
5 A*-C with English/maths (CLA/FSM)	42%	50%	43%
5 A*-C with English/maths (SEND) statement	33%	67%	33%
5 A*-C with English/maths (SEND) Non-statement	0	50%	33%
3L progress English	72	80	86%
4L progress English	29	41	37%
3L progress maths	88	91	93%
4L progress maths	65	66	59%
% CLA/FSM pupils making expected progress in English	67	71	71%
% CLA/FSM pupils making expected progress in maths	75	86	71%

SEND – pupils with special educational needs or a disability

CLA – children looked after

FSM – pupils who receive free school meals

Whilst the un-validated data above shows results slightly below our targets in some areas, this is often due to targets being very aspirational. A key success has been a significant increase in the progress made by pupils in English, which has been the key improvement priority for the last 2 years. The results should also be seen in the context of increased 'volatility' this year, which has seen many schools suffer a dip in their headline results. The headline figure for the percentage of pupils achieving 5 A*-C grades including English and maths of 78% means the school is now the highest performing non-selective school in East Lancashire.

Key Performance Indicators

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

The academy has not been inspected by Ofsted in the last 12 months. The results of the most recent inspection in July 2013 Inspection are summarised below:

Overall effectiveness	Previous inspection:	Not previously inspected	
	This inspection:	Good	2
Achievement of pupils		Good	2
Quality of teaching		Good	2
Behaviour and safety of pupils		Outstanding	1
Leadership and management		Good	2

Priorities for Development

The main areas of focus in the forthcoming year are summarised in the following extracts from the school's improvement plan:

Achievement	
A1	Further increase attainment and progress levels in English to levels in line with maths & science (LF)
A2	Prepare for new progress 8 performance measures and assessment without NC levels (LF & AY)
A3	Embed whole school tracking policy and systems and intervention measures (LF)
A4	Further development of opportunities for pupils eligible for pupil premium support to reduce the achievement gap (LF + HK)
A5	Develop and implement appropriate intervention strategies where pupils are underachieving (HK-KS3, AK-KS4)
A6	Review of assessment, recording and reporting systems/procedures (LF)

Teaching	
T1	Ensure effective levels of differentiation and challenge in lessons (LF)
T2	Delivery of new curriculum: (AY & RS)
2a	GCSE courses (AY)
2b	Vocational courses (RS)
2c	Wednesday afternoons and Duke of Edinburgh's Award Scheme (RS)
T3	Continue active participation in ELSSA (Teaching Alliance) re: ITT, CPD/Research, School support (JT/LF/AK)
T4	Ensure co-ordinated cross-curricular development of literacy & numeracy (LF & AY)
T5	Implement action arising from extended learning review (AY)
T6	Provide a full year CPD offer for all staff (LF)
T7	Implement action arising from feedback review (LF)
T8	Deepen the international dimension within teaching and learning (AY)
T9	Further development of systems and programs of study to develop core knowledge and study skills (AY/LF)

Behaviour and Safety

BS1	Full review of site security in preparation for move to new main building (JT/LF/PA)
BS2	Review and further development of E-safety, anti-bullying and self-harm policies/systems (HK)
BS3	Further development of society system and embedding of first year changes (AK)
BS4	Fully develop the role and function of the form tutor (HK)
BS5	Embed new communication policy + systems (JT)
BS6	Review the supervision systems for pupils outside of lessons (JT)
BS7	Move to a cashless school office and provide an MIS platform for parents to view key data (PA/JT)
BS8	Specific role of student voice in development of learning and teaching to be harnessed (LF)
BS9	Develop and implement a new whole school rewards policy and systems (HK/AK)
BS10	Review current school uniform in consultation with pupils, parents and staff (HK)

Leadership and Management

LM1	Development of shared leadership (JT/LF)
LM2	Ensure main building is rebuilt with minimum possible disruption to learning by Dec 2014 (JT/PA)
2a	Site fully safe throughout the project (PA)
2b	Regular and effective communication channels between all involved parties to ensure problems are dealt with asap (JT/PA)
2c	Additional costs minimised to increase resources for furnishing new building (PA)
2d	Effectively stage major events on site or in alternative venues (JT)
LM3	Ensure all improvement priorities are fully costed and provision is made within the budget to maintain them (PA + JT)
LM4	Embed changes to SEND from Sept 2014 (JT)
LM5	Develop a new and effective appraisal policy for non-teachers and implement other actions from non-teacher working party (JT/PA)
LM6	Develop and implement new systems for quality assurance of teaching (LF/AK)
LM7	Pursue all feasible sources of additional income (PA + JT)
LM8	Ensure school facilities are fit for 21st Century (PA/JT)
8a	Continue to explore funding for an all-weather pitch + hard playing surface by 2015 (PA/AK)
8b	Ensure all curriculum areas have suitable teaching spaces - by Sept 2015 (JT/PA)
8c	Secure alternative car parking space (PA)
8d	Implement ICT strategy target for wireless access throughout school. (JT/PA)
LM9	Implement Equality and Accessibility Plans (JT/LF)

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FINANCIAL REVIEW

Financial and Risk Management Objectives and Policies

The Governing Body has a strategic role in the financial management of the Academy. Key objectives are:-

- Setting the financial priorities of the Academy through the
 - School Improvement Plan
 - Long Term Financial Plan
 - Annual Budget
- Determining the allocation of resources within the academy budget in accordance with SIP priorities
- Approving and monitoring the annual budget
- Ensuring the budget is managed effectively
- Determining arrangements for delegation of financial decisions to the headteacher by approving internal financial regulations
- Evaluating the effectiveness of spending decisions

In achieving these objectives, the Accounting Officer is responsible to the Governing Body for:-

- Ensuring regularity and propriety
- Prudent and economical administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources

Financial Report for the Period

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ending 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the period ended 31 August 2014, total income was £4,111,000 and expenditure was £2,811,000. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £35,000.

At 31 August 2014 the net book value of fixed assets was £7,242,000 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and associated support services to pupils.

Financial Position

The Academy held fund balances at 31 August 2014 of £7,577,000. This comprised restricted fixed asset funds of £7,851,000, plus £193,000 of restricted funds and £157,000 of unrestricted general funds, less other losses of £624,000 relating to the pension scheme deficit.

Principal Risks and Uncertainties

The Academy has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

The Resources Committee undertakes a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific, preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In

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PLANS FOR FUTURE PERIODS

The Academy intends to action fully the areas for development as detailed on the Academy improvement plan 2013-16.

Going Concern

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

AUDITORS

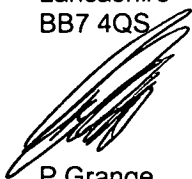
In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors 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.

Baker Tilly Audit Limited ceased trading on 31st March 2014. The governors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. Baker Tilly UK Audit LLP are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The report of the governors was approved by the governors on 18/11/14. and signed on their behalf by

Registered office:
Bowland High Academy Trust
Riversmead
Grindleton
Clitheroe
Lancashire
BB7 4QS



P Grange
Chair of Governors / Director

BOWLAND HIGH ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the 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 Bowland High Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors Report and in the Statement of Governors Responsibilities. The board of Governors has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
P Grange (chairman)	3	3
S Baier	3	3
S Neville	2	3
H Dakin (Staff Governor)	3	3
J Simonds (Staff Governor)	2	3
B Welch (resigned 23 June 2014)	1	1
S Bell	2	3
K Swales	3	3
P Hatch	3	3
R Cobin	2	3
J Houldsworth	0	3
R Park	3	3
J Robinson	3	3
J Wright	2	3
J Tarbox (Head Teacher and accounting officer)	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 ongoing 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 Bowland High Academy Trust for the period ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

In addition to the annual review, the Resource Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy which is reviewed at least annually by the Resources Committee and more regularly when necessary. The risk register identifies key risks, the likelihood of these risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are RAG rated (red, amber, green) using a consistent scoring system.

Outlined below is a description of the principal risk factors which may affect the Academy. Not all factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Government Funding

The Academy has considerable reliance on continued Government funding through the EFA. In 2013/2014, 99% of the Academy's revenue was ultimately publicly funded including inherited assets, and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or in the same terms.

This risk is mitigated in a number of ways:

- By ensuring that the Academy is rigorous in delivering high quality education and training; and
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA.

2. Maintain adequate funding of pensions liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of Financial Reporting Standard (FRS17). This deficit relates to non-teaching staff who are members of Lancashire County Council's Pension Fund. At 31 August 2014 the deficit amounted to £624,000.

The pension scheme liability is an ongoing liability which is not expected to materialise until the retirement of the employees in the scheme. The Academy makes contributions to the scheme on behalf of its employees. During the period, the Academy made contributions of £74,000. These contributions are determined by the scheme's Actuaries and are designed to eliminate the deficit over the estimated future working lives of the employees in the scheme.

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governors will look to establish an appropriate level of free reserves. This is to provide sufficient working capital to cover delays between and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves is as mentioned on page 22. Monitoring of cash flow during the year indicated that there was never a significant measure of concern relating to cash flow or the level of free reserves.

Investment Policy

The Academy holds surplus cash balances on short fixed term deposits with Lloyds TSB Bank.

BOWLAND HIGH ACADEMY TRUST

GOVERNANCE STATEMENT

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr I Rushworth, Principal Auditor, Lancashire County Council as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Resources Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of Effectiveness

As Accounting Officer, the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Business Manager within the Academy Trust who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 18/11/14 and signed on its behalf by:



P Grange
Chair of Governors / Director



J Tarbox
Accounting Officer / Headteacher

BOWLAND HIGH ACADEMY TRUST

STATEMENT ON REGULARITY PROPRIETY AND COMPLIANCE

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Bowland High Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by 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 of funding non-compliance have been discovered to date.



J Tarbox

Accounting Officer / Headteacher

18/11/14.

BOWLAND HIGH ACADEMY TRUST

STATEMENT OF GOVERNORS RESPONSIBILITIES

Statement of Governors' and Accounting Officer's Responsibilities

The governors (who act as trustees for charitable activities of Bowland High Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements 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 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 its incoming resources and application of resources, including its income and expenditure, 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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.

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

The governors 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 18/11/14 and signed on its behalf by:



P Grange
Chair of Governors / Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOWLAND HIGH SCHOOL YEAR ENDING ON 31 AUGUST 2014

We have audited the financial statements of Bowland High School for the year ended 31 August 2014 on pages 21 to 40. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who act as trustees for the charitable activities of the charitable company, and 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other requirement of the Companies Act 2006

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOWLAND HIGH SCHOOL
YEAR ENDING ON 31 AUGUST 2014**

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:

- the charity has not kept adequate accounting records, 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

Karen Musgrave (Senior Statutory Auditor)
For and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Date: *5/12/14*

BOWLAND HIGH ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account and Statement of Total Recognised Gains & Losses) for the year ended 31 August 2014

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2014 £000	Total 2013 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
. Voluntary income	2	8	-	-	8	10
. Activities for generating funds	3	47	-	-	47	13
. Investment income	4	3	-	-	3	8
<i>Incoming resources from charitable activities:</i>						
. Funding for the Academy's educational operations	5	-	2,672	1,363	4,035	3,353
Other income	6	3	15	-	18	11
Total incoming resources		61	2,687	1,363	4,111	3,395
Resources expended						
<i>Charitable activities:</i>						
Academy Trust educational operations	7	10	2,692	98	2,800	2,744
Governance costs	7	-	11	-	11	9
Total resources expended		10	2,703	98	2,811	2,753
Net incoming resources before other recognised gains and losses		51	(16)	1,265	1,300	642
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	95	-	95	26
Net movement in funds		51	79	1,265	1,395	668
Reconciliation of funds						
Total funds brought forward at 1 September 2013	16	106	(510)	6,586	6,182	5,514
Total funds carried forward at 31 August 2014		157	(431)	7,851	7,577	6,182

All of the Academy's activities derive from continuing activities during the above two financial years.

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

BOWLAND HIGH ACADEMY TRUST**BALANCE SHEET at 31 AUGUST 2014****(Company Limited by Guarantee No 07678864)**

	Note	2014 £000	2013 £000
Fixed assets			
Tangible assets	13	<u>7,242</u>	<u>5,565</u>
		<u>7,242</u>	<u>5,565</u>
Current assets			
Debtors	14	118	9
Cash at bank and in hand		<u>1,200</u>	<u>1,354</u>
		<u>1,318</u>	<u>1,363</u>
Current liabilities			
Creditors: Amounts falling due within one year	15	<u>(359)</u>	<u>(71)</u>
Net current assets		<u>959</u>	<u>1,292</u>
Total assets less current liabilities		8,201	6,857
Pension scheme liability	22	<u>(624)</u>	<u>(675)</u>
Net assets including pension liability		<u>7,577</u>	<u>6,182</u>
Funds of the academy:			
Restricted funds			
Fixed asset fund	16	7,851	6,586
General fund	16	193	165
Pension reserve	16	<u>(624)</u>	<u>(675)</u>
Total restricted funds		<u>7,420</u>	<u>6,076</u>
Unrestricted funds			
General fund	16	<u>157</u>	<u>106</u>
Total unrestricted funds		<u>157</u>	<u>106</u>
Total Funds		<u>7,577</u>	<u>6,182</u>

The financial statements on pages 21 to 40 were approved by the governors on 18/11/14 and signed on their behalf by:



P Grange
Chair of Governors / Directors

BOWLAND HIGH ACADEMY TRUST**CASH FLOW STATEMENT for the year 31 AUGUST 2014**

	Note	2014 £000	2013 £000
Net flow inflow from operating activities	(i)	255	129
Returns on investments and servicing of finance	(ii)	3	8
Capital expenditure	(iii)	(412)	433
(Decrease)/increase in cash in the period	(iv)	<u>(154)</u>	<u>570</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		1,354	784
Net funds at 31 August 2014	(iv)	<u>1,200</u>	<u>1,354</u>

BOWLAND HIGH ACADEMY TRUST

NOTES TO THE CASHFLOW STATEMENT

(i) Reconciliation of net outgoing resources to cash flows

	2014 £000	2013 £000
Net income	1,300	642
Depreciation (note 13)	98	99
Capital grants from DfE (note 5)	(1,363)	(683)
Interest receivable (note 4)	(3)	(8)
FRS 17 pension cost less contributions payable (note 22)	19	12
FRS 17 pension finance cost (note 22)	25	25
(Increase)/decrease in debtors	(109)	68
Increase/(decrease) in creditors	288	(26)
Net cash inflow from operating activities	255	129

(ii) Returns on investment

	2014 £'000	2013 £'000
Interest received	3	8
Net cash inflow from returns on investment	3	8

(iii) Capital expenditure and financial investment

	31 August 2014 £'000	31 August 2013 £'000
Purchase of tangible fixed assets	(1,775)	(252)
Receipts for sale of tangible fixed assets	-	2
Capital grants from DfE	1,363	683
Net cash outflow from capital expenditure and financial investment	(412)	433
(Decrease)/increase in cash in the year	(154)	570

(iv) Analysis of changes in net funds

	At 1 September 2013 £'000	Cash flows £'000	At 31 August 2014 £'000
Cash in hand and at bank	1,354	(154)	1,200
	1,354	(154)	1,200

BOWLAND HIGH ACADEMY TRUST

PRINCIPAL ACCOUNTING POLICIES 31 AUGUST 2014

Basis of Preparation

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

Basis of accounting

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2005.

Going concern

The governors assess whether the use of going concern is appropriate. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

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.

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

Donations

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the year in which they are receivable, and where the benefit is both quantifiable and material. See note 11 in respect of services donated by Governors.

Interest receivable

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

Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.

BOWLAND HIGH ACADEMY TRUST

PRINCIPAL ACCOUNTING POLICIES 31 AUGUST 2014

Governance costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

Restricted funds comprise grants from the DfE and other donors which are to be used for specific purposes as explained in note 16.

Tangible fixed assets

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

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). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Furniture and equipment	25% straight line
Computer equipment and software	33% straight line
Assets under construction	Not depreciated
Motor vehicles	25% straight line
Long leasehold, land & buildings	2% straight line

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

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 and 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.

Pensions

Academy staffs are members of one of two pension schemes, both of which are defined benefit schemes. More details of the schemes are given in note 22.

BOWLAND HIGH ACADEMY TRUST

PRINCIPAL ACCOUNTING POLICIES 31 AUGUST 2014

Defined Benefit Schemes

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 22, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

BOWLAND HIGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, or which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2014.

2 Voluntary Income	Unrestricted funds £000	Restricted funds £000	2014 Total £000	2013 Total £000
Private sponsorship	8	-	8	10
	<u>8</u>	<u>-</u>	<u>8</u>	<u>10</u>
3 Activities for Generating Funds	Unrestricted funds £000	Restricted funds £000	2014 Total £000	2013 Total £000
Catering income	27	-	27	10
Hire of facilities	20	-	20	3
	<u>47</u>	<u>-</u>	<u>47</u>	<u>13</u>
4 Investment Income	Unrestricted funds £000	Restricted funds £000	2014 Total £000	2013 Total £000
Bank Interest	3	-	3	8
	<u>3</u>	<u>-</u>	<u>3</u>	<u>8</u>

5 Funding for Academy's educational operations

	Unrestricted funds £000	Restricted funds £000	2014 Total £000	2013 Total £000
DfE/EFA capital grants				
. Academy main building grant	-	1,350	1,350	670
. Devolved formula capital allocations	-	13	13	13
	<u>-</u>	<u>1,363</u>	<u>1,363</u>	<u>683</u>
DfE/EFA revenue grants				
. General Annual Grant (GAG) (note 1)	-	2,670	2,670	2,499
. Other DfE / EFA grants	-	-	-	-
	<u>-</u>	<u>2,670</u>	<u>2,670</u>	<u>2,499</u>
Other Government grants				
. School standards funds	-	-	-	32
. SEN from LA	-	2	2	139
	<u>-</u>	<u>2</u>	<u>2</u>	<u>171</u>
	<u>-</u>	<u>4,035</u>	<u>4,035</u>	<u>3,353</u>

BOWLAND HIGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

6 Other incoming resources	Unrestricted funds £000	Restricted funds £000	2014 Total £000	2013 Total £000
Sundry income	3	15	18	11
	<u>3</u>	<u>15</u>	<u>18</u>	<u>11</u>

7 Resources Expended	Staff Costs £000	Other Costs £000	Total 2014 £000	Total 2013 £000
Academy's educational operations				
- Direct costs	2,030	131	2,161	2,127
- Allocated support costs	195	444	639	617
	<u>2,225</u>	<u>575</u>	<u>2,800</u>	<u>2,744</u>
Governance costs including allocated support costs	-	11	11	9
	<u>2,225</u>	<u>586</u>	<u>2,811</u>	<u>2,753</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on page 25.

Incoming/outgoing resources for the period include:

	2014 £'000	2013 £'000
Operating leases	1	1
Fees payable to auditor – audit	7	9
– other services	<u>4</u>	<u>2</u>

BOWLAND HIGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

8 Charitable Activities – Academy’s educational operations

	Unrestricted funds £000	Restricted funds £000	2014 Total Funds £000	2013 Total Funds £000
Direct costs				
Teaching and educational staff costs	-	2,030	2,030	2,022
Educational supplies	-	38	38	32
Examination fees	-	41	41	43
Staff development	-	10	10	8
Other direct costs	-	42	42	22
	-	2,161	2,161	2,127

	Unrestricted funds £000	Restricted funds £000	2014 Total £000	2013 Total £000
Allocated support costs				
Support staff costs	-	195	195	149
Depreciation	-	98	98	99
Recruitment and other staff costs	-	32	32	38
Heat and light	-	31	31	58
Premises (including building insurance)	-	74	74	44
Catering contract	10	-	10	4
Technology costs	-	-	-	8
Other support and admin expenses	-	199	199	215
	10	629	639	615

9 Governance costs

	Unrestricted funds £000	Restricted funds £000	2014 Total Funds £000	2013 Total Funds £000
Auditors' remuneration				
- Audit of financial statements	-	7	7	9
- Other services	-	4	4	2
	-	11	11	11

BOWLAND HIGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

10 Staff Costs

Staff costs during the period were:	2014	2013
	Total	Total
	£000	£000
Wages and salaries	1,738	1,714
Social security costs	130	126
Other pension costs	306	289
	2,174	2,129
Supply teacher costs	51	42
	2,225	2,171

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

	2014	2013
	No.	No.
Charitable Activities		
Teachers	35	35
Administration and support	32	33
Management	4	4
	71	72

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

	2013	2012
	No.	No.
£60,000 - £70,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this employee amounted to £9,384 (2013: £8,942). No employee participating in the Local Government Scheme earned more than £60,000.

11 Governors' remuneration and expenses

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff not in respect of services as governors. Other governors did not receive any payments from the Academy. The value of governors' remuneration was as follows:

J Tarbox (Headteacher):	£60,000 to £65,000 (2013: £60,000- £65,000)
H Dakin (Staff Governor):	£15,000 to £20,000 (2013: £15,000- £20,000)
J Simmonds (Staff Governor)	£35,000 to £40,000 (2013: £35,000- £40,000)

Other related party transactions involving the trustees are set out in note 23.

BOWLAND HIGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

12 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 is not separately identifiable, but is included within the total insurance cost.

13 Tangible Fixed Assets

	Long Leasehold Land and buildings	Assets under con- struction	Furniture & equipment	Computer equip- ment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2013	5,407	294	11	36	7	5,755
Additions	-	1,753	-	12	10	1,775
Disposals	-	-	-	-	-	-
At 31 August 2014	<u>5,407</u>	<u>2,047</u>	<u>11</u>	<u>48</u>	<u>17</u>	<u>7,530</u>
Depreciation						
At 1 September 2013	164	-	5	19	2	190
Charged in period	82	-	3	11	2	98
Disposals	-	-	-	-	-	-
At 31 August 2014	<u>246</u>	<u>-</u>	<u>8</u>	<u>30</u>	<u>4</u>	<u>288</u>
Net book value						
At 31 August 2014	<u>5,161</u>	<u>2,047</u>	<u>3</u>	<u>18</u>	<u>13</u>	<u>7,242</u>
Net book value						
At 1 September 2013	<u>5,243</u>	<u>294</u>	<u>6</u>	<u>17</u>	<u>5</u>	<u>5,565</u>

14 Debtors

	2014 £000	2013 £000
Prepayments and accrued income	16	-
VAT recoverable	<u>102</u>	<u>9</u>
	<u>118</u>	<u>9</u>

15 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	16	10
Other creditors	41	-
Accruals and deferred income	<u>302</u>	<u>61</u>
	<u>359</u>	<u>71</u>

BOWLAND HIGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

16 Funds

	At 1 September 2013 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	At 31 August 2014 £000
Restricted general funds					
General Annual Grant (GAG)	165	2,670	(2,642)	-	193
Other government grants	-	2	(2)	-	-
Other restricted income	-	15	(15)	-	-
	<u>165</u>	<u>2,687</u>	<u>(2,659)</u>	<u>-</u>	<u>193</u>
Pension Reserve	(675)	-	(44)	95	(624)
	<u>(510)</u>	<u>2,687</u>	<u>(2,703)</u>	<u>95</u>	<u>(431)</u>
Fixed asset funds					
DfE capital grants	1,353	1,363	(98)	-	2,618
Amounts transferred from local authority on conversion	5,233	-	-	-	5,233
	<u>6,586</u>	<u>1,363</u>	<u>(98)</u>	<u>-</u>	<u>7,851</u>
Total restricted funds	<u>6,076</u>	<u>4,050</u>	<u>(2,801)</u>	<u>95</u>	<u>7,420</u>
Unrestricted funds					
General fund	106	61	(10)	-	157
Total unrestricted funds	<u>106</u>	<u>61</u>	<u>(10)</u>	<u>-</u>	<u>157</u>
Total funds	<u>6,182</u>	<u>4,111</u>	<u>(2,811)</u>	<u>95</u>	<u>7,577</u>

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

Restricted general fund

This fund represents grants received for the Academy's operational activities and development.

Fixed asset fund

These grants relate to funding received from the DfE, EFA and private sponsors to carry out works of a capital nature as part of the school improvement plan.

Other restricted funds

These funds relate to monies received from the local government, private sector and private sponsors to carry out works of a capital or revenue nature.

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.

BOWLAND HIGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

17 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted fund £000	Restricted general fund £000	Restricted fixed asset fund £000	Restricted pension fund £000	Total 2014 £000	Total 2013 £000
Tangible fixed assets	-	-	7,242	-	7,242	5,565
Current assets	157	552	609	-	1,318	1,363
Current liabilities	-	(359)	-	-	(359)	(71)
Pension scheme liability	-	-	-	(624)	(624)	(675)
Total net assets	157	193	7,851	(624)	7,577	6,182

18 Capital commitments

The Academy had no capital commitments at the period end.

19 Financial commitments

Operating leases

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

	2014 £000	2013 £000
Other		
Expiring within two and five years inclusive	1	1
	<u>1</u>	<u>1</u>

20 Contingent Liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

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

- The value at that time of the Academy's site and premises and other assets held for the purpose of the Academy: and
- The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

In addition to the above, Lancashire County Council entered into a grant agreement with Big Lottery Fund in relation to the capital expenditure on the sports hall in the school. Upon conversion to an Academy, this grant agreement was transferred from Lancashire County Council to Bowland High Academy Trust. This agreement expires in 28 March 2027 ("Asset liability period"). If certain events specified within the agreement occur during the asset liability period, Big Lottery Fund has the right to demand the whole or part of the grant to be repaid.

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

21 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 £10 for the debts and liabilities contracted before he/she ceases to be a member.

22 Pension Commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by [name]. 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 2012 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

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), 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' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

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

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

22 Pension Commitments (Continued)

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £216,000 (2013: £204,000).

Under the definitions set out in Financial Standards (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 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 and the implications for the Academy Trust in terms of the anticipated rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £99,000, of which employer's contributions totalled £74,000 and employees' contribution totalled £25,000. The agreed rates for future years are XX per cent for employers and XX per cent for employees.

BOWLAND HIGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

22 Pension Commitments (Continued)

Principal Actuarial Assumptions	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.70%	4.40%
Rate of increase for pensions in payment / inflation	2.20%	2.40%
Discount rate for scheme liabilities	4.00%	4.50%
Inflation assumption	2.20%	2.40%

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.80	22.10
Females	25.30	24.80
<i>Retiring in 20 years</i>		
Males	25.00	23.90
Females	27.70	26.70

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

	Expected return at 31 August 2014 £000	Value at 31 August 2014 £000	Expected return at 31 August 2013 £000	Value at 31 August 2013 £000
Equities	7.00%	311	7.00%	216
Gilts	2.90%	1	3.40%	29
Bonds	3.80%	166	4.40%	87
Property	6.20%	60	5.70%	35
Cash	0.50%	15	0.50%	20
Other	7.00%	72	7.00%	35
Total market value of assets		625		422
 Present value of scheme liabilities				
- Funded		(1,249)		(1,097)
Deficit in the scheme		(624)		(675)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

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 (i.e. As at 1 August 2014 for the year to 31 August 2015). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The actual return on the scheme assets in the year was £38,000.

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

22 Pension Commitments (Continued)**Total expenditure recognised in the Statement of Financial Activities**

	2014	2013
	£000	£000
Current service cost	<u>(90)</u>	<u>(85)</u>
Total operating charge	<u>(90)</u>	<u>(85)</u>
Interest on obligation	<u>(52)</u>	<u>(43)</u>
Expected return on Scheme assets	<u>27</u>	<u>18</u>
Interest on pension liabilities	<u>(25)</u>	<u>(25)</u>
Total expenditure recognised in the Statement of Financial Activities	<u>(115)</u>	<u>(110)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a gain of £53,000 (2013: £42,000 loss).

BOWLAND HIGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

22 Pension Commitments (Continued)

Reconciliation of opening and closing balances of the present value of the Trust's share of scheme's liabilities

	2014	2013
	£000	£000
Scheme liabilities at 1 August 2013	1,097	948
Current service cost	90	85
Contributions by scheme participants	25	23
Interest cost	52	43
Benefits paid	16	(2)
Curtailments	3	-
Actuarial gains	(34)	-
Scheme liabilities at 31 August 2014	1,249	1,097

Reconciliation of opening and closing balances of the fair value of the Trust's share of the scheme assets

	2014	2013
	£000	£000
Fair value of scheme assets at 1 August 2013	422	284
Expected return on scheme assets	27	18
Contributions by employer	74	73
Contributions by scheme participants	25	23
Benefits paid	16	(2)
Actuarial gains	61	26
Fair value of scheme assets at 31 August 2014	625	422

Movement in deficit during year

	2014	2013
	£000	£000
Deficit in scheme at 1 September	(675)	(664)
Current service cost	(90)	(85)
Curtailments	(3)	-
Employer contributions	74	73
Net interest/return on assets	(25)	(25)
Actuarial (gains)/losses	95	26
Deficit in scheme at 31 August 2014	(624)	(675)

BOWLAND HIGH ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS 31 AUGUST 2014

22 Pension Commitments (Continued)

Amounts for the current and previous periods

	2014 £000	2013 £000
Defined benefit obligation at end of year	(1,249)	(1,097)
Fair value of plan assets at end of year	625	422
Deficit	(624)	(675)
		2013 £000
Experience adjustments on Scheme assets	61	26
Experience adjustments on Scheme liabilities	59	-
	120	26

Projected pension expense for the year to 31 August 2015 is £109,000.

23 Related Parties

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Transactions with the EFA are detailed in note 5. No other related party transactions took place in the period of account.

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

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bowland High School 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 Bowland High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Bowland High School 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 Bowland High School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bowland High School accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
BOWLAND HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY**

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 year ended 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.

Karen Musgrave
Senior Statutory Auditor
For and on behalf of

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Date: 5/12/14.