

Company Registration No. 08339290 (England and Wales)

CRAWLEY FREE SCHOOL TRUST

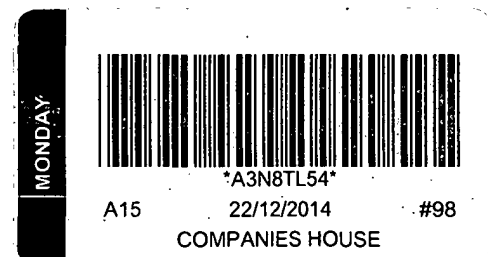
(THE GATWICK SCHOOL)

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2014

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**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
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**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
REFERENCE AND ADMINISTRATIVE DETAILS**

Directors

Mr M J Connelly
Ms C E Delaney (Resigned 1 January 2014)
Mr S J Rule
Mr T J McCarthy (Appointed 1 January 2014)
Mr G P Palmer (Appointed 7 October 2013)
Dr D D Eidelman (Appointed 1 September 2013)
Mr R Nathan (Appointed 1 October 2013)

Members

Mr G Eidelman (left 31 August 2013)
Mr M J Connelly
Mr S J Rule
Dr D D Eidelman (joined 1 September 2013)

Senior management team

- Executive Headteacher

Mr P Reilly

Company secretary

Ms M Burnige

Company registration number

08339290 (England and Wales)

Registered office

Glenleigh Park Primary Academy
Gunters Lane
Bexhill-on-Sea
East Sussex
TN39 4ED

Independent auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014**

The directors of Crawley Free School Trust ('the Company') present their annual report together with the financial statements and the auditor's reports of the Company for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the attached financial statements and comply with the Company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005').

The academy trust operates an academy for pupils aged 4 - 16 serving a catchment area in North East Crawley and Horley. It has a pupil capacity of 1,020 and had a roll of 63 in the school census in October 2014.

Structure, governance and management

Constitution

The Company is incorporated as a company limited by guarantee and is an exempt charity under the Charities Act 2011. The Company's governing document is its articles of association. There are two sponsors: Mosaica Education Inc. and Place Group, who have jointly established the Crawley Free School Trust (company number 08339290). The Company was incorporated on 21 December 2012 and it currently operates one school, The Gatwick School (TGS).

The Company has a board of 6 directors. Three of the directors are from the two sponsor groups, Mosaica Education Inc. and Place Group. The other three are independent directors. The directors have formed a committee to oversee TGS to be known as the Local Governing Body which will operate from December 2014. The Local Governing Body will include staff and parent representatives and the chair of the Local Governing Body will be a director of the Company.

The directors have delegated day-to-day responsibility for the management of the Company to the Executive Headteacher and Head of School (Secondary).

Members' liability

Every member of the Company undertakes to contribute such amount as may be required (not exceeding £10) to the Company's assets if it should be wound up whilst he or she is a member or within one year after he or she ceases to be a member, for payment of the Company's debts and liabilities before he or she ceases to be a member, and of the costs charges and expenses of winding up and for the adjustments of the rights of the contributories themselves.

Directors' indemnities

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

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

Method of recruitment and appointment or election of directors

The members of the Company, as principal sponsors, are entitled to appoint up to ten directors to the Governing Body. The directors have co-opted Geoff Palmer, Russell Nathan and Tim McCarthy to the Board of directors. Both Messrs Palmer and Russell have relevant financial, business and IT experience and Mr McCarthy has been a former headteacher and is the CEO of Aurora Academies Trust.

Policies and procedures adopted for the induction and training of directors

This report covers the set up and establishment of the Company's only school. There is a planned programme of regular training and professional development for directors scheduled for 2014-15. Topics will include Understanding Governance; Use of Data; Raisonline Training and Preparation for Ofsted. The directors have been invited to partner with directors from Aurora Academies Trust in order to build expertise and to share good practice.

Organisational structure

The Company operates one academy (a free school) called The Gatwick School in Crawley, West Sussex. The school opened to pupils on 8th September 2014.

The directors are trustees of the Company for the purposes of the Charities Act. The following directors were in office at 31 August 2014.

Director	Appointed/Resigned	Appointing body
Mr S J Rule	Appointed 21 December 2012	Member
Dr D D Eidelman	Appointed 1 September 2013	Member
Mr M J Connelly	Appointed 21 December 2012	Member
Mr T J McCarthy	Appointed 1 January 2014	Directors
Mr G P Palmer	Appointed 7 October 2013	Directors
Mr R Nathan	Appointed 1 October 2013	Directors

Connected organisations including related party relationships

The members of the Company are Simon Rule, Dr Dawn Eidelman and Michael Connelly.

Two of the directors of the Company are directors of Mosaica Education Inc. They are also members of the Company. During the year, Mosaica Education Inc was awarded the contract to provide educational services to the Company during pre-opening which was carried out at cost in accordance with the Academies Financial Handbook. Going forward, the Company will purchase curriculum resources from Mosaica Education Inc. All services provided by Mosaica Education Inc. to the Company are on an "at cost" basis in accordance with the Academies Financial Handbook. The directors are aware of the potential for conflicts of interest and manage them in accordance with the Companies Act 2006, the Company's Articles of Association and the Academies Financial Handbook. Directors who are independent of Mosaica Education Inc. approve payments made to Mosaica Education Inc.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

One of the directors of the Company is the CEO of Place Group. He is also a member of the Company. The Company has contracted with Place Group and with Schools' Buying Club, a subsidiary of Place Group, which handles procurement processes on behalf of the Company. Place Group was awarded a contract to provide project management to the Company during pre-opening which was carried out at cost in accordance with the Academies Financial Handbook. Schools' Buying Club provides procurement support to the School at no cost to the Company. The directors are aware of the potential for conflicts of interest and manage them in accordance with the Companies Act 2006, the Company's Articles of Association and the Academies Financial Handbook. Directors who are independent of Place Group approve payments made to Place Group and to Schools' Buying Club.

Objectives and activities

Objects and aims

The Company's charitable object as set out in its articles of association is to advance for the public benefit education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

The Company was established to provide:

Improved teaching and learning – the Company's focus is on achieving the highest standards at TGS at a rapid pace, and ensuring the highest quality of teaching and learning through the introduction of a comprehensive staff training programme.

More opportunities – to make sure every pupil achieves the very best that they can, the Company's focus is on working with the senior leaders and teachers in TGS to raise achievement through the curriculum innovation, online assessment programmes, high levels of attendance and individualised paths for personal growth and development.

More choice – the Company's school works closely with Mosaica Education schools both in the UK and internationally, sharing resources and experiences. The Company works with partners both locally and internationally, meaning that pupils enjoy a wider range of learning and recreational experiences.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

The Company aims to:

Improve standards – by aiming for 1.5 years' progress every year for each child in TGS.

Raise aspirations – through the introduction of a philosophy and ethos aimed at bringing educational improvements to TGS, its pupils and community. All pupils will have individualised paths for personal growth and development, with a focus on pupil self-awareness and self-esteem.

Train staff – the professional development of all staff is given a high priority and each has an individual professional development plan (IPDP) which maps out their targets and the professional development and support needed for them to achieve their targets. Teachers are entitled to 90 hours of professional development training each year. In addition the Mosaica Global Leadership Institute leadership training will provide high quality professional development for senior and middle leaders in TGS. This training has been evaluated by all participants and is currently rated as Good with Outstanding features.

Increase parent engagement and involvement – through regular community events where parents and other members of the local community are invited to see what the children have been learning, meet with staff and become more engaged in their child's education. In particular there will be eight occasions during the year in which parents will be invited into school to celebrate what their child has been learning in Paragon lessons.

Public benefit

In setting the Company's objectives and planning its activities, directors has given careful consideration to the Charity Commission's general guidance on public benefit.

The directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

In preparation for opening of TGS the company undertook the following strategic activities in the year:

1. Recruitment

The school recruited a full complement of high quality staff in preparation for the opening. These appointments included the following:

Executive Headteacher (Part time)
Head of School (Secondary)
Head of Science and SENCO
Teacher of English and Humanities
Two Reception Teachers
Three Teaching Assistants
School Secretary
IT Technician

Mosaica's model and curriculum enables teachers to teach more than one subject (eg Maths and Science). Any other subjects that cannot be taught by permanent staff will be delivered by peripatetic subject specialists.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

2. Marketing Strategy and Open Events

The Company devised and put into effect a very interactive and wide-ranging marketing strategy. A school website has been established which has launched the school's 'brand' and boosted recruitment. TGS also has its own special media page on Facebook which has proven to be a rich source of two-way communication between school staff and parents/community. There were also many e-newsletters sent to prospective parents and the local community as well as leaflet drops and several sessions at two local leisure centres (K2 in Crawley and Horley Leisure Centre).

There were a number of Consultation/Open Events held for prospective parents. These were held at various venues on the following dates:

Date	Target Audience	Venue
12th September 2013	Consultation Event for Crawley Community	Three Bridges Community Centre, Crawley
25th September 2013	Consultation Event for Crawley Community	Northgate Community Centre, Crawley
5th October 2014	Prospective Year 7 pupils/parents	TGS
10th October 2013	Prospective Year 7 pupils/parents	TGS
9th November 2013	Prospective Reception pupils/parents	TGS
28th November 2013	Prospective Reception pupils/parents	TGS
7th January 2014	Prospective Reception pupils/parents	The Hawth Theatre, Crawley
23rd January 2014	Prospective Reception pupils/parents	Stanhill Court Hotel, Horley
8th March 2014	All pupils/parents who received offers	TGS

3. DFE Readiness for Opening Meetings/Ofsted/Funding Agreement

There were several meetings held with officials from the DFE to prove readiness for opening.

Key performance indicators

The directors have set the following key performance indicators for the Company for 2014-15:

There are 3 Strategic Goals.

1. Academic Success – To ensure that TGS becomes one of the best performing schools in the South East.

2. Teachers' School of Choice – To ensure that TGS is seen by the best teachers to be the number one school in which to be employed.

3. Sustainability – To ensure that the Company constantly achieves best value and to grow leaders from within.

Going concern

After making appropriate enquiries, the board of directors 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 directors 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.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

Financial review

These accounts cover the period prior to the opening of the school in September 2014 and therefore only deals with the limited set up of the school.

Funding was provided by the EFA in the form of a start-up grant and capital grants.

The capital grant is only claimable to the extent that it has been used for the purchase of fixed assets. The majority of fixed asset purchases were made subsequent to the year end.

As the school had not opened at the year end date, no depreciation has been charged during the period. The whole of the capital grant is carried forward as a balance on the restricted fixed asset fund. This will reduce over future years as the assets are depreciated.

Reserves policy

The policy of the directors is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Company whilst ensuring that excessive funds are not accumulated. The directors are satisfied that the Company's reserves are sufficient for its current purposes.

The reserves as at 31 August 2014 amounted to £3,401,971 which comprised primarily of restricted fixed asset reserves.

Investment policy and powers

The monies received by the Company are largely public funds provided for the education of children and young people. Consequently the directors take a conservative view on the investment of any surpluses. This takes the form of keeping such funds on deposit in interest bearing accounts. The object of this policy is to protect the funds that the Company holds whilst taking opportunities to maximise them where possible.

Principal risks and uncertainties

The Company has limited financial risks given that its principal source of income is the Department for Education. It is not exposed to high levels of risk in connection with cash flow, creditors or bad debtors. Changes to the employer contribution rate for the Local Government Pension Scheme is an identified risk to the Company in light of the deficit.

The principal risks and uncertainties in relation to the Company have been identified in the risk register which will be updated regularly.

Plans for future periods

Before considering any growth, the directors wish to ensure that TGS becomes a high performing school in keeping with its strategic aims listed above. In parallel with this the Company also plans to work with local schools, academies, academy groups and free schools to share best practice and resources. Plans are in place to refurbish and remodel the existing building such that the school has all rooms and facilities completed by January 2016.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

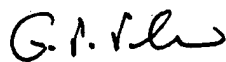
Auditor

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors 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 UHY Hacker Young be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 18 December 2014 and signed on its behalf by:



Mr G P Palmer

Chair

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

Scope of responsibility

As directors we acknowledge we have overall responsibility for ensuring that Crawley Free School 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 board of directors has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Crawley Free School Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of directors has formally met 1 time during the year. Attendance during the year at meetings of the board of directors was as follows:

Directors	Meetings attended	Out of possible
Mr M J Connelly	0	1
Ms C E Delaney (Resigned 1 January 2014)	0	0
Mr S J Rule	1	1
Mr T J McCarthy (Appointed 1 January 2014)	1	1
Mr G P Palmer (Appointed 7 October 2013)	1	1
Dr D D Eidelman (Appointed 1 September 2013)	1	1
Mr R Nathan (Appointed 1 October 2013)	1	1

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 was being implemented during the year ended 31 August 2014 and continues to be improved.

Capacity to handle risk

The board of directors 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 board of directors 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 at 31 August 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of directors.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

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 directors;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of directors has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the directors have appointed UHY Hacker Young, the external auditor, to perform additional checks.

The auditor'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 auditor reports to the board of directors through the finance committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of directors.

Review of effectiveness

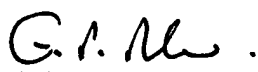
As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

The accounting officer will be advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of directors on 18 December 2014 and signed on its behalf by:


.....

Mr G P Palmer

Chair

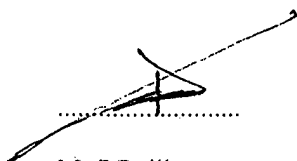
**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014**

As accounting officer of Crawley Free School Trust I have considered my responsibility to notify the academy trust board of directors 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 directors 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 directors and EFA.

Approved on 18 December 2014 and signed by:

A handwritten signature in black ink, appearing to be 'P Reilly', written over a dotted line.

Mr P Reilly

Accounting Officer

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors (who also act as trustees for Crawley Free School Trust) are responsible for preparing the Directors' 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 directors to prepare accounts for each financial year. Under company law the directors 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 directors are required to:

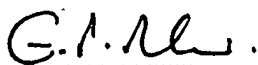
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 directors 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 directors 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 directors 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 directors on 18 December 2014 and signed on its behalf by:



M.G.P. Palmer

Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAWLEY FREE SCHOOL TRUST

We have audited the accounts of Crawley Free School Trust for the year ended 31 August 2014 set out on pages 18 to 33. 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 13, the directors, who also act as trustees for the charitable activities of Crawley Free School Trust, 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 directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors' 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CRAWLEY FREE SCHOOL TRUST

Opinion on other matter prescribed by the Companies Act 2006

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

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Colin Wright (Senior Statutory Auditor)
UHY Hacker Young

Chartered Accountants
Statutory Auditor

Dated: 18/12/2014

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CRAWLEY FREE SCHOOL TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 September 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 Crawley Free School Trust 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 Crawley Free School Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Crawley Free School Trust 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 Crawley Free School Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Crawley Free School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Crawley Free School Trust's funding agreement with the Secretary of State for Education dated 14 August 2014 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.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO CRAWLEY FREE SCHOOL TRUST AND THE EDUCATION FUNDING
AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

- Review and corroboration of the most recent Financial Management and Governance Evaluation
- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety.

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.

UHY Hacker Young

Colin Wright

Reporting Accountant

UHY Hacker Young

Dated: 18/12/2014

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
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 8 months
<u>Incoming resources</u>	Notes	£	£	£	£	£
<i>Resources from generated funds</i>						
- Activities for generating funds	2	889	-	-	889	-
<i>Resources from charitable activities</i>						
- Funding for educational operations	3	-	240,000	3,406,469	3,646,469	-
Total incoming resources		889	240,000	3,406,469	3,647,358	-
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Fundraising trading	4	1,164	-	-	1,164	-
<i>Charitable activities</i>						
- Educational operations	5	-	228,744	-	228,744	-
Governance costs	6	-	15,479	-	15,479	-
Total resources expended	4	1,164	244,223	-	245,387	-
Net incoming/(outgoing) resources before transfers		(275)	(4,223)	3,406,469	3,401,971	-
Gross transfers between funds		-	-	-	-	-
Net income/(expenditure) for the year		(275)	(4,223)	3,406,469	3,401,971	-
Fund balances at 1 September 2013		-	-	-	-	-
Fund balances at 31 August 2014		(275)	(4,223)	3,406,469	3,401,971	-

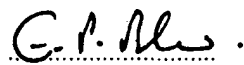
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
BALANCE SHEET
AS AT 31 AUGUST 2014**

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Tangible assets	9		3,406,469		-
Current assets					
Debtors	10	23,840		-	
Cash at bank and in hand		82,901		-	
		<u>106,741</u>		<u>-</u>	
Creditors: amounts falling due within one year	11	(111,239)		-	
		<u>(111,239)</u>		<u>-</u>	
Net current liabilities			(4,498)		-
Total assets less current liabilities			<u>3,401,971</u>		<u>-</u>
Funds of the academy trust:					
Restricted income funds	13				
- Fixed asset funds			3,406,469		-
- General funds			(4,223)		-
			<u>3,402,246</u>		<u>-</u>
Total restricted funds			3,402,246		-
Unrestricted funds	13		(275)		-
			<u>(275)</u>		<u>-</u>
Total funds			<u>3,401,971</u>		<u>-</u>

The accounts were approved by order of the board of directors and authorised for issue on 18 December 2014.


Mr G P Palmer

Chair

Company Number 08339290

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

		2014	2013
	Notes	£	8 months £
Net cash inflow/(outflow) from operating activities	16	82,901	-
Capital expenditure and financial investments			
Capital grants received	3,406,469	-	-
Payments to acquire tangible fixed assets	(3,406,469)	-	-
		<u>-</u>	<u>-</u>
Net cash flow from capital activities		<u>-</u>	<u>-</u>
Increase/(decrease) in cash	17	<u>82,901</u>	<u>-</u>

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
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 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 directors 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 directors make this assessment in respect of a period of one year from the date of approval of the accounts.

Although there were net current liabilities of £4,498 at the year end the directors are satisfied that the trust will continue to meet its liabilities as they fall due and have therefore adopted the going concern basis in preparing these financial statements.

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.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

1 Accounting policies

(Continued)

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.

1.4 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

1 Accounting policies

(Continued)

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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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	50 Years
Fixtures, fittings & equipment	3 - 5 Years

1.6 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 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.

1.8 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 15, 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.

CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
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.

1.9 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 directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education 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/Department for Education.

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
School uniform sales	889	-	889	-
	=====	=====	=====	=====

CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
DfE / EFA grants				
Start up grants	-	240,000	240,000	-
Capital grants	-	3,406,469	3,406,469	-
	-	3,646,469	3,646,469	-
Total funding	-	3,646,469	3,646,469	-

4 Resources expended

	Staff costs & £	Premises equipment £	Other costs £	Total 2014 £	Total 2013 £
Costs of activities for generating funds	-	-	1,164	1,164	-
Academy's educational operations					
- Direct costs	25,700	-	140,035	165,735	-
- Allocated support costs	-	-	63,009	63,009	-
	25,700	-	203,044	228,744	-
Other expenditure					
Governance costs	-	-	15,479	15,479	-
Total expenditure	25,700	-	219,687	245,387	-
Incoming/outgoing resources for the year include:				2014	2013
				£	£
Fees payable to auditor					
- Audit				7,500	-

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

5 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Costs of activities for generating funds				
Uniform Expenses	1,164	-	1,164	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Direct costs				
Teaching and educational support staff costs	-	25,700	25,700	-
Educational supplies and services	-	2,076	2,076	-
Educational consultancy	-	137,959	137,959	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	165,735	165,735	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Allocated support costs				
Technology costs	-	42,822	42,822	-
Recruitment and support	-	20,187	20,187	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	63,009	63,009	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total costs	<u>1,164</u>	<u>228,744</u>	<u>229,908</u>	<u>-</u>

6 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	7,979	7,979	-
Auditor's remuneration				
- Audit of financial statements	-	7,500	7,500	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	15,479	15,479	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

7 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	2013
Number	Number	Number
Teachers	1	-

Costs included within the accounts:

	2014	2013
£	£	£
Wages and salaries	20,777	-
Social security costs	2,003	-
Other pension costs	2,920	-
Total staff costs	25,700	-

There were no employees whose annual remuneration was £60,000 or more.

8 Directors' remuneration and expenses

The principal and other staff directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as directors. Other directors did not receive any payments, other than expenses, from the academy trust in respect of their role as directors. During the year, travel and subsistence payments totalling £ 321 (2013: £ Nil) were reimbursed to 2 directors (2013: Nil directors).

Directors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £ 1,000,000 on any one claim and the cost for the year ended 31 August 2014 was £ 500 (2013: £ Nil).

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

9 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 September 2013	-	-	-
Additions	3,400,000	6,469	3,406,469
At 31 August 2014	3,400,000	6,469	3,406,469
Depreciation			
At 1 September 2013 and at 31 August 2014	-	-	-
Net book value			
At 31 August 2014	3,400,000	6,469	3,406,469

Fixed assets are funded by EFA capital grants. As the school opened after the year end, no depreciation was charged in these financial statements.

10 Debtors	2014	2013
	£	£
VAT recoverable	19,668	-
Prepayments and accrued income	4,172	-
	23,840	-

Accrued income relates to grants due from EFA for fixed assets capitalised during the period.

11 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	42,445	-
Other creditors	1,294	-
Accruals	7,500	-
Deferred income	60,000	-
	111,239	-

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

12 Deferred income	2014	2013
	£	£
Deferred income is included within:		
Creditors due within one year	60,000	-
	<u> </u>	<u> </u>
Total deferred income at 1 September 2013	-	-
Amounts credited to the statement of financial activities	-	-
Amounts deferred in the year	60,000	-
	<u> </u>	<u> </u>
Total deferred income at 31 August 2014	60,000	-
	<u> </u>	<u> </u>

Deferred income consists of the start up grant relating to 2014/15 financial year received in advance.

13 Funds	Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£	£	£	£	£
Restricted general funds					
Start up grants	-	240,000	(244,223)	-	(4,223)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	240,000	(244,223)	-	(4,223)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	3,406,469	-	-	3,406,469
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total restricted funds	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	3,646,469	(244,223)	-	3,402,246
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unrestricted funds					
General funds	-	889	(1,164)	-	(275)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	3,647,358	(245,387)	-	3,401,971
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

13 Funds

(Continued)

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

Start-Up Grant

The Start-Up Grant must be used for the development of the school including salary costs, overheads and premises costs as the school is prepared for opening. Under the funding agreement with the Secretary of State the academy was not subject to a limit on the amount of Start-Up Grant that it could carry forward as at 31st August 2014.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible assets.

14 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	-	-	3,406,469	3,406,469
Current assets	(275)	107,016	-	106,741
Creditors: amounts falling due within one year	-	(111,239)	-	(111,239)
	<u>(275)</u>	<u>(4,223)</u>	<u>3,406,469</u>	<u>3,401,971</u>

15 Pensions and similar obligations

The academy trust's employee belongs to the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff which is a defined-benefit scheme.

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.

There were no outstanding or prepaid contributions at 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.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

15 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 documentation 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.

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

15 Pensions and similar obligations

(Continued)

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.

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.

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

	2014	2013
	£	£
Net income	3,401,971	-
Capital grants and similar income	(3,406,469)	-
(Increase)/decrease in debtors	(23,840)	-
Increase/(decrease) in creditors	111,239	-
	<u>82,901</u>	<u>-</u>
Net cash inflow/(outflow) from operating activities	<u>82,901</u>	<u>-</u>

17 Reconciliation of net cash flow to movement in net funds

	2014	2013
	£	£
Increase/(decrease) in cash	82,901	-
Net funds at 1 September 2013	-	-
	<u>82,901</u>	<u>-</u>
Net funds at 31 August 2014	<u>82,901</u>	<u>-</u>

**CRAWLEY FREE SCHOOL TRUST
(THE GATWICK SCHOOL)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

18 Analysis of net funds

	At 1 September 2013	Cash flows	Non-cash changes	At 31 August 2014
	£	£	£	£
Cash at bank and in hand	-	82,901	-	82,901
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 Related parties

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

The following related party transactions took place in the year:

Michael Connelly and Dr Dawn Eidelman are both directors of the Company and are also directors and shareholders of Mosaica Education International (MEI) and Michael Connelly is a director of MEI's subsidiary, Mosaica Education UK (MEUK). Gene Eidelman is a director of the Company and also president and shareholder of MEI. MEUK has provided services to the Company including the provision of general consultancy, marketing, legal and education support services. These services were provided at cost. Fees totalling £63,705 (2013 - £Nil) were payable to MEUK in the year to 31 August 2014.

Simon Rule and Clare Delaney are both employed by Place Group and were also directors of the Company during the year, with Clare Delaney resigning as a director on 1 January 2014. Place Group has provided services to the Company including the provision of project management services to set up the trust and The Gatwick School. These services were provided at cost. Fees totalling £61,396 (2013 - £Nil) were payable to Place Group in the year to 31 August 2014.

20 Post balance sheet events

On 8 September 2014 the trust's school (The Gatwick School) opened to pupils in Crawley, West Sussex.

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 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.