

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

TUESDAY



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COMPANIES HOUSE

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1
Trustees' report	2 - 13
Governance statement	14 - 15
Statement on regularity, propriety and compliance	16
Trustees' responsibilities statement	17
Independent auditors' report	18 - 19
Independent reporting accountant's assurance report on regularity	20 - 21
Statement of financial activities	22
Balance sheet	23
Cash flow statement	24
Notes to the financial statements	25 - 45

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014**

Members	Mr P W Ballard Mr M McIntyre Mr D A Low Mr D F Hubbard
Trustees	Mr P W Ballard (appointed 22 October 2013) Mr M McIntyre (appointed 22 October 2013) Mr D A Low (appointed 22 October 2013) Mr D F Hubbard (appointed 22 October 2013)
Member	Mrs A Johnson (appointed 11 November 2013)
Company registered number	08743560
Principal and registered office	Loxford Lane Ilford Essex IG1 2UT
Senior management team	Mrs A Johnson, Headteacher
Independent auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Charter House 62-64 Hills Road Cambridge CB2 1LA
Bankers	Natwest Plc 250 Regent Street London W1B 3BN
Solicitors	Darwin Law Limited Unit 1.05 The Wenlock Building 50-52 Wharf Road London N1 7EU

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of Loxford School Trust Limited (the Trust) for the period ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Loxford School Trust began as a single academy within a Trust in December 2013. In June 2014 the Trust acquired Aldborough Primary School whose financial information appears in this statement for this period. Following on from this in September 2014 the trust acquired The Warren Secondary School. This latest acquisition is omitted from this report due to the fact the acquisition date falls within the following financial year.

The Trust services children aged 3 to 19 serving a catchment area in the London Borough of Redbridge. It has a pupil capacity of 3,500 across the two sites included in this report and had a roll of 2,838 in the school census as at October 2014. Both schools are below capacity due to their primary elements growing currently by one year group per academic year.

Structure, governance and management

a. CONSTITUTION

The 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 Trust.

The charitable company is known as Loxford Academy Trust, Companies House number 08743560.

Details of the Trustees who served during the period are included in the Reference and Administrative Details on Page 1.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The original 4 Trustees of the Company were four members of the pre-conversion Governing Body, and were chosen for their previous contribution as leaders of Governance and their specific skill-sets. As well as their collective commitment to Loxford School of Science and Technology their backgrounds include accountancy, training in commerce, education and a close association to the local community.

The articles permit Trustees to recruit and appoint further Trustees to the board. The Trust has determined that this would be as a result of a skills analysis of the Board, seeking to ensure that the skills currently available to the board remain or are enhanced. An annual self-review of the Trustees effectiveness will, in the first instance, determine the Boards efficacy.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

As the Trust is newly formed, Policies and Procedures for the Induction and Training of Trustees are as yet nascent.

In line with the practice of the Governing Body from which the Trust Board was formed, written policies to express the distinct role and responsibilities of the Trustees, Directors and Local Governors together with a buddying/mentor partnership offered to support new recruits, based upon their skill set they bring, are likely to be offered. These will be, in effect, an explanation of the Articles of Association agreed under the funding agreement for the Trust with the EFA.

e. ORGANISATIONAL STRUCTURE

The organisational structure is:

- The Trust;
- A Board of Directors; and
- School's Local Governing Bodies

The Trust:

- The CEO is the Accounting Officer.
- Is responsible for senior appointments within the Trust – CEO, DOFO; and
- Day to day running of the Trust is delegated to the CEO who further delegates to the DOFO. They are accountable to the Trust.

Directors:

- Include the Chairs of the Local Governing Bodies and another representative from each school
- Are responsible for Financial Decisions within the Trust, including agreeing and monitoring the Budgets for the individual schools; and
- Are responsible for the Performance Management of Head teachers within the Trust.
- In addition to the Local Governing Bodies, the main standing sub-committee of the Board of Directors is the Audit Committee. The Audit Committee will receive and consider the reports of both the Trusts Internal and External Auditors and make recommendations to the Board of Directors.

Local Governing Bodies:

- Delegate the day-to-day running of their schools to the Head teacher. Head teachers are accountable to both their Local Governing Bodies and the Board of Directors.
- Are primarily responsible for Teaching and Achievement in their respective schools. They report and seek the support for local issues to the Board of Directors via the minutes of their meetings.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

During the period the Loxford School Trust has actively worked with the following organisations in furtherance of its charitable purpose;

- Schools Direct Partnership with Beal
- Teach first
- British Council
- Jack Petchy

The Trust has made no payments to connected parties this financial period.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Objectives and Activities

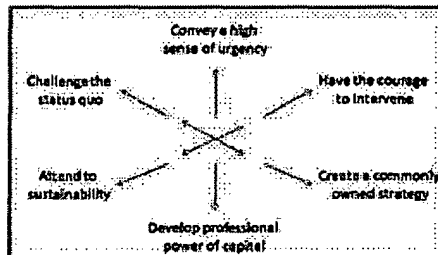
a. OBJECTS AND AIMS

The Loxford School Trust now has three academies and is growing fast. In June 2014 E-ACT released The Aldborough Primary School to the Loxford School Trust and on 1st September 2014 The Warren Secondary School from Barking and Dagenham joined the Trust.

"Progress is a collective endeavour"

"In education, an important end is to make a difference in the lives of students"

Michael Fullan – Leading in a culture of change



Fullan and Boyle
Big City School Reforms 2014

We will maximise the effectiveness of learning opportunities, technologies and our distinctive specialism in Science, Technology and Languages in order to provide a well-ordered, reflective, enterprising and collaborative environment in which all participants are respected and are enabled to fulfil their potential and to make a positive contribution to the development of our culturally rich community.

1. The vision for the Trust is to develop further schools and ensure that all students within our umbrella provide outstanding outcomes for our children is now identified into moving into academy status and opening as "The Loxford Trust". The Loxford School Trust will formulate into a multi academies trust working with and sponsoring failing schools.
2. Loxford School of Science and Technology has been judged outstanding in 2013 and results in all key stages will be substantially improved in 2015. Examination results at key stages' 4 and 5 are significantly higher than the national average based on the baseline data of students.
3. The vision will only be realised by building on the success of the Trust so far to raise standards of attainment significantly. To do so will take a number of years and require many changes, some of which will be transformational in nature; others will be no more than minor adjustments to existing practice.
4. The Trust believes in setting the highest levels of academic targets and reaching these. The A* - C levels have increased this year as have the A level accomplishments and the KS1 area performed above the government floor targets against the most challenging circumstances. The EYFS levels exemplify again the Trust's desire to set high standards for all the students that attend. This practice of excellence will set the standard for the other schools that join the Trust.
5. The primary responsibility of the Trust and all the schools is to put in place learning that engages students intellectually, socially and emotionally.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Key Objective 1:
Leadership and Management.

The quality of Leadership and Management displays progress as a collective endeavour with all middle and senior managers leading learning within all classrooms. To lead school teachers in a process of learning to improve their teaching while learning alongside them.

Closing the Achievement Gap and enhancing learning for all requires all staff to be leaders resulting in an impact in all classrooms.

The Key Principles of this objective at all levels are:

- Governors play a significant role in the strategic decision making of the school.
- Governors critically befriend the school and specific members of the SLT in developing the performance of the school
- Clear vision and purpose.
- CTLs are agents of change and move teachers forward in the quality of teaching.
- ATLs lead learning by shaping the condition of learning in classrooms through their presence and visibility.
- SLT improve systems and work collaboratively with teachers and working pedagogically visibly in areas of responsibility.
- SLT to increase impact should use their time by directing their energies working with their teams and developing mutual respect.

Key Objective 2:
Leading Teaching and Learning.

Learning to be a good teacher is paramount and coaching become a priority and is school based.

To secure consistency of student experience in Teaching and Learning through a consistent improvement of practice that meets all learners' needs.

Teachers will know who is in their class, what their levels are and what their potential levels can be.

All Schemes of Work reflect student levels in all curriculum areas.

The Key Principles of this objective at all levels are:

- Coaching teachers within departments becomes a key feature in Directed Time.
- Teaching leads to achievement with no student left behind.
- Co-observations of outstanding teaching become a facilitator to improve performance for staff.
- CTLs, Postholders are responsible for performance of their area with clear indicators and evidence of improvements of the quality of teaching and learning.
- Feedback from skilled practitioners becomes a key feature.
- Who is in my class – staff teach to student's needs and use data to plan their teaching and learning.
- Learning situations are developed that promote enquiry habits and curious learners
- Teacher knowledge of subject area improves.
- All postholders challenge under performance.
- Actual practice involving observations, critique and reflection leads to group support and collaboration in workshops.
- A professional community is constantly developed that has a sustaining focus on improvement.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

- Teaching at a minimum will be good in all lessons with a vast majority being outstanding.
- Governors will receive reports on Teaching and Learning.
- All stakeholders have an outstanding awareness of data to improve results.

Key Objective 3:
Raising Standards and Achievement.

Targets are set in all subject and year areas that add value and show clear student progress across every strata of the school.

The Key Principles of this objective at all levels are:

- Targets set at Key Stage 1
- Targets set in all department areas.
- All senior line managers have targets set for their line management areas in collaboration with their CTLs.
- ATLs and Year Leaders have clear targets set for their Year Groups.
- Departments targets are set for AS A2 grades in line with Impact Reports.
- An ethos of continuous improvement.
- An appreciation of the value and satisfaction of hard work.
- The Year Care Team proactively respond to poor behaviour in lessons with clear outcomes that ensure that other students learning is not disrupted.
- Assemblies celebrating the silent majority.
- The Primary Division embed clear standards and teacher's accountability for student progress.
- The Raising Standards Leader in the 6th Form as an Assistant Headteacher drives forward the improvements in standards at both AS and A2.
- Tasks for children develop their curiosity and problems solving skills and they become inquisitive learners.
- Engaged learning raises standards.
- A no excuses culture is developed.

Key Objective 4:
Behaviour and Safety.

The Key Principles of this objective at all levels are:

- The Year Care team ensure that throughout the school day that the students enjoy a safe learning environment.
- Attendance in all year Groups is monitored by the pastoral teams on a weekly and daily basis.
- Display Boards by the pastoral teams are regularly updated to celebrate student success.
- Safeguarding training is completed by all staff.
- The SEN Department throughout the school clear audits the needs of the children under the new regulations.
- Enterprise is celebrated throughout the school.
- Careers guidance for students is transparent.
- The school encourages productive and healthy life.
- Student can participate and excel in a wide range of creative, sporting and cultural fields.
- Well-being is outstanding and all members of the community are valued and respected.
- The Year Care Team use SIMs effectively through weekly, monthly and half-termly audits with clear actions monitored by the Deputy Headteacher.

The ATL and the Year Care collaborate effectively developing a strong pastoral team which is seamless.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

c. PUBLIC BENEFIT

In setting the Loxford School Trusts objectives and planning its activities, the directors have given careful consideration to and have complied with the Charities Act 2011 and the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education.

The Loxford School Trust plays significant part in the local and wider community having secured the sponsorship to support two further schools in the space of the last year. In addition to this Loxford School Trust has strong partnership arrangements with Teach First and a long standing Beginner Teachers Partnership in place in order to develop staff.

The Loxford School Trust has built up a reserve fund in order to invest in its vision of running a community and school use leisure centre and pool facility.

The Loxford School Trust has strong and active PTA's across its primary phases and holds many well publicized and supported fund raising events predominantly pupil led.

Loxford School Trust also offers the provision of a summer school to support transition of vulnerable and deprived young people into secondary education

The Loxford School Trust works with a variety of commercial enterprises in order to give the best possible work placements, careers advice and enterprise initiatives to its pupils.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Achievements and performance

a. REVIEW OF ACTIVITIES

Loxford School of Science and Technology

Key Stage 4

	2014 Target	2013 Results	2014 Actuals	2015 Targets
5 A*-C	80%	90%	95%	96%
5 A*-C Inc English and maths	70%	66%	72%	75%
5 A*-G	100%	100%	100%	100%
1+A*-G	100%	100%	100%	100%

Post Sixteen

	Actual Results for 2013	Actual Results for 2014	A* - C Grades 2014
A2 average TPS per student 2+ A levels grades	661.21	707.12	439

Key Stage One Results above Level 2

	School 2013	School 2014	Targets 2015
Reading	84%	91%	92%
Writing	83%	85%	86%
Maths	90%	93%	93%

LOXFORD SCHOOL TRUST LIMITED
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Aldborough Primary School

Key Stage One Results above Level 2

KS1 Data					
		Nat. Av. 2014	KS1 results 2013	Actual	Target
	Reading % 2+	90	90	81	90
	Reading % 2b+	81	81	70	81
	Reading % L3+	31	26	28	32
	Writing % 2+	86	88	74	86
	Writing % L2b+	70	67	59	70
	Writing % L3+	16	7	21	16
	Maths % 2+	92	91	90	92
	Maths % 2b+	80	76	77	80
	Maths % 3+	24	10	21	24

b. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 Accounting Policies.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust's income is derived in the main from the Department for Education (DFE) via the Education Funding Agency (EFA) in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received from the EFA and other courses during the year ending 31st August 2014 and the associated expenditure are shown as restricted funds in the statement for financial activities.

The Trust also received as element of funding for the acquisition and replacement of fixed assets (DFC) 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 fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Incoming resources during the period ended 31st August 2014 totalled £10.7m and were sufficient to cover outgoing resources and provided a surplus of approximately £600k before transfers and other recognised gains and losses.

During the period £1.1m was transferred into the Unrestricted fund from asset transfer from Local Authority to the Trust and £150k was transferred from the Capital Reserves to the Restricted Reserves account to offset Capital Expenditure on Capital items in year.

The financial period ended 31 August 2014 provided for a £444,000 actuarial loss on the Trust's defined benefit pension scheme. The Trust brought forward an inherited pension liability of £966,000 on their local government defined benefit pension scheme.

The net book value of tangible fixed assets was £52m; movements in tangible assets are shown in note 12 to the financial statements. The assets were exclusively for providing educational and associated support services to pupils and the community. Please note that it is the policy of the Trust to depreciate assets under construction at the point of project completion only. However works are capitalised annually.

During the period ended 31st August 2014 the Trust continued to allow all new staff the opportunity to join one of two pension schemes, Teachers Pensions (TPS) or Redbridge Pension Fund (LGPS), both are defined benefit schemes. Every year, the London Borough of Redbridge produces an actuarial report on behalf of the Loxford School Trust to give us an LGPS deficit figure. The LGPS currently provides for a deficit balance of £1,436,000.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

b. RESERVES POLICY

The Loxford School Trust has been building up its reserves prior to existence when Loxford School was a maintained organisation. The purpose of building this reserve was to fund a redesign and build of the leisure and pool facilities on behalf of The Trust. These works have now commenced. Prior to transfer Aldbrorough Primary had little transparency on its own reserves as an organisation. Post transfer a surplus expenditure plan will now be developed by the trust.

It is important that grant is spent as needed to avoid excess calls on Exchequer funding and public borrowing. The EFA previously set limits on the amount of GAG that could be carried forward from one year to the next. These limits have now been removed so that academy trusts have the freedom to keep money aside for when it is needed most and to build up reserves, for example for long-term capital projects.

The DfE expects academy trusts to use their allocated funding for the full benefit of their current pupils. Therefore, it is important that, if the trust has a substantial surplus, they have a clear plan for how it will be used to benefit their pupils.

Budget forecasts sent to the EFA must declare any unspent funds expected to be carried forward at the end of the financial year. The EFA will also verify the sums of unspent funds when it checks the trust's accounts and highlight and report, to the relevant DfE Boards, any cases where it has serious concerns about a long-term substantial surplus with no clear plans for use.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

c. INVESTMENTS POLICY

The Trust will operate an interest bearing current account with a bank approved by the Directors Board (NatWest) and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in term deposits with NatWest. The Trust will not take out any long term investments until reliable cash flow pattern had been established, monies will only be paid into term deposits not exceeding six months.

All investments will be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information recorded will include date of purchase, cost and description of investment. Additional procedures may be required to ensure any income receivable from the investment is received and properly accounted for.

The Trust Board reserve the powers to:

- Give prior approval to the opening of new bank current accounts;
- Amend the list of approved institutions with whom the Trust will invest (currently only NatWest); and
- Give prior approval to any bank deposit with a maturity date exceeding six months.

d. PRINCIPAL RISKS AND UNCERTAINTIES

In the present economic climate there are a significant number of uncertainties many of which are very subjective in nature and difficult to quantify with any reasonable assurance.

The Loxford School Trust have a compiled risk register and monitor this termly throughout the academic year

The following key area was identified during the annual risk review:

- Sustainable Levels of Public Funding

The Trust has considerable reliance on continued government funding through the EFA. The Trust's publicly funded revenue income accounts for 95% of its total revenue income and this level of reliance is expected to continue if not increase.

There is little reassurance that government policy and funding levels will continue at existing levels or on a consistent basis of allocation.

The public funding risk is being managed in the following ways:

- The Trust seeks to the trust of choice for the local and wider community by delivering high quality and student centred educational and training opportunities and hence maximizing student intake numbers;
- To develop new and varied income streams to supplement fluctuations in public funding; and
- To manage successful relationships with key stakeholders within the DfE and EFA.

The Trust have recently implemented an audit committee and a fully compiled risk register which will be reviewed and reassessed termly moving forward.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Plans for future periods

a. FUTURE DEVELOPMENTS

Our school community thrives on the Loxford principle values. The Loxford School values run through all that we do and the way that we work, and behave every day. Transforming lives is an inspiring goal. It is a goal based on the aim of ensuring that every young person has access to the best possible standards of education.

We believe that much of our work is about individuals and about character we help each individual student to achieve the best possible results for themselves. Students experience a wide variety of activities and are introduced to new influences and initiatives that give them the opportunity to explore and to shine as individuals.

We are proud of the team that we have built at Loxford Academy Trust. Our team work hard and show commitment to supporting and encouraging all of our students. Working towards our shared goals means that we believe it important to work closely with our local community and to share in supporting young people in and out of school.

Loxford Academy Trust has ambitions to support even more young people and communities by bringing other schools into the Loxford School Trust family and by establishing and sponsoring new academies.


DISCLOSURE OF INFORMATION TO AUDITORS

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

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

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on _____ and signed on the board's behalf by:

Mr P W Ballard
Chair of Trustees



11.12.2014

LOXFORD SCHOOL TRUST LIMITED
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the CEO, 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 Loxford School Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 8 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr P W Ballard	8	8
Mr M McIntyre	7	8
Mr D A Low	8	8
Mr D F Hubbard	7	8
Mrs A Johnson	8	8

The first full year of operations for the Loxford Academy Trust resulted in significant restructuring of the governance framework and the establishment and change of all boards, committees and bodies to align to our Articles of Association. Post year-end, an Audit Committee has been formed.

Governance reviews:

The original 4 Trustees of the Company were four members of the pre-conversion Governing Body, and were chosen for their previous contribution as leaders of Governance and their specific skill-sets.

An annual self-review of the Trustees effectiveness will, in the first instance, determine the Boards efficacy.

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 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 Loxford School Trust Limited for the period 22 October 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

LOXFORD SCHOOL TRUST LIMITED
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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the period 22 October 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the business and 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 trustees has considered the need for a specific internal audit function and has decided to appoint HCSS as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the CEO 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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have 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 the Finance and General Purpose's Committee and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on

and signed on its behalf, by:


Mr P W Ballard
Chair of Trustees

11.12.2014


Mrs A Johnson
Accounting Officer

11.12.2014

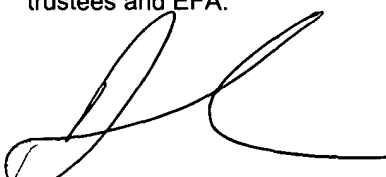
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(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Loxford School Trust Limited I have considered my responsibility to notify the Trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 Trust board of trustees are able to identify any material, irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook.

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



Mrs A Johnson
Accounting Officer

Date:

11/12/14

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014**

The Trustees (who act as governors of Loxford School Trust Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on

and signed on its behalf by:



Mr P W Ballard
Chair of Trustees

11.12.2014

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF LOXFORD SCHOOL TRUST LIMITED

We have audited the financial statements of Loxford School Trust Limited for the period ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. 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 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable Trust'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 Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF LOXFORD SCHOOL TRUST LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Charter House
62-64 Hills Road
Cambridge
CB2 1LA

Date: 19 December 2014

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LOXFORD
SCHOOL TRUST LIMITED AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 14 October 2013 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 Loxford School Trust Limited during the period 22 October 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 Loxford School Trust Limited and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Loxford School Trust Limited and 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 Loxford School Trust Limited and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LOXFORD SCHOOL TRUST LIMITED'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Loxford School Trust Limited's funding agreement with the Secretary of State for Education dated 28 November 2013, 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 22 October 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 2013 to 2014 issued by 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 Trust's income and expenditure.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LOXFORD
SCHOOL TRUST LIMITED AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 22 October 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Charter House
62-64 Hills Road
Cambridge
CB2 1LA

Date: 19 December 2014

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds period ended 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Assets on conversion	3	1,091,436	(966,000)	52,232,916	52,358,352
Activities for generating funds	4	10,748	-	-	10,748
Incoming resources from charitable activities	5	81,335	10,600,207	46,155	10,727,697
TOTAL INCOMING RESOURCES		1,183,519	9,634,207	52,279,071	63,096,797
RESOURCES EXPENDED					
Charitable activities	7	-	10,008,308	7,004	10,015,312
Governance costs	8	-	110,574	-	110,574
TOTAL RESOURCES EXPENDED	6	-	10,118,882	7,004	10,125,886
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		1,183,519	(484,675)	52,272,067	52,970,911
Transfers between Funds	15	(92,083)	92,083	-	-
NET INCOME FOR THE PERIOD		1,091,436	(392,592)	52,272,067	52,970,911
Actuarial gains and losses on defined benefit pension schemes		-	(444,000)	-	(444,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		1,091,436	(836,592)	52,272,067	52,526,911
<i>Total funds at 22 October 2013</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2014		1,091,436	(836,592)	52,272,067	52,526,911

All of the Trust's activities derive from acquisitions in the current financial period.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 25 to 45 form part of these financial statements.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 08743560

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £
FIXED ASSETS			
Tangible assets	12		52,048,838
CURRENT ASSETS			
Debtors	13	1,256,857	
Cash at bank and in hand		1,341,062	
		<u>2,597,919</u>	
CREDITORS: amounts falling due within one year	14	<u>(683,846)</u>	
NET CURRENT ASSETS			<u>1,914,073</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>53,962,911</u>
Defined benefit pension scheme liability	22		<u>(1,436,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>52,526,911</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	15	599,408	
Restricted fixed asset funds	15	52,272,067	
		<u>52,871,475</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(1,436,000)</u>	
Total restricted funds			51,435,475
Unrestricted funds	15		1,091,436
TOTAL FUNDS			<u><u>52,526,911</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

Mr P W Ballard
Chair of Trustees



17.12.2014

The notes on pages 25 to 45 form part of these financial statements.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	Period ended 31 August 2014 £
Net cash flow from operating activities	17	26,397
Capital expenditure and financial investment	18	(103,607)
Cash transferred on conversion to an academy trust	2	1,418,272
INCREASE IN CASH IN THE PERIOD		1,341,062

All of the cash flows are derived from acquisitions in the current financial period.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2014

	Period ended 31 August 2014 £
Increase in cash in the period	1,341,062
MOVEMENT IN NET FUNDS IN THE PERIOD	1,341,062
NET FUNDS AT 31 AUGUST 2014	1,341,062

The notes on pages 25 to 45 form part of these financial statements.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The Trust is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust.

1.3 Fund accounting

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

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

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

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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.

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

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

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

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

Charitable activities are costs incurred in the Trust's educational operations.

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

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

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

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

Freehold property	-	0%
Long-term leasehold property	-	0%
Structures (within Freehold property)	-	10% straight line
Motor vehicles	-	10% straight line
Fixtures and fittings	-	10% straight line

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

Freehold and long leasehold buildings are not depreciated on the grounds of immateriality. Buildings are subject to regular maintenance and repair such that in the governors opinion the residual value is not materially different from the value in the financial statements and have a long economic life. The governors consider the need for impairment at each period end.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.9 Taxation

The 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 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.

1.10 Pensions

Retirement benefits to employees of the 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 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 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 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 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.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.11 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method. In addition the transfer of an academy from another multi-academy trust has been accounted for on a consistent basis.

The assets and liabilities transferred on conversion from Loxford School of Science and Technology to an academy trust and the transfer of Aldborough Primary School have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Loxford School Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 2.

2. CONVERSION TO AN ACADEMY TRUST

On 1 December 2013 Loxford School of Science and Technology converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Loxford School Trust Limited from Redbridge London Borough Council for £NIL consideration.

On 1 June 2014, Aldborough Primary School transferred to the Trust from an existing trust for £NIL consideration.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds period ended £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	51,867,701	51,867,701
- Other tangible fixed assets	-	-	38,379	38,379
Budget surplus/(deficit) on LA funds	1,091,436	-	326,836	1,418,272
LGPS pension surplus/(deficit)	-	(966,000)	-	(966,000)
Net assets/(liabilities)	<u>1,091,436</u>	<u>(966,000)</u>	<u>52,232,916</u>	<u>52,358,352</u>

The above net assets include £1,418,272 that were transferred as cash.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

3. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds period ended 2014 £
Assets on conversion	1,091,436	51,266,916	52,358,352
	<u>1,091,436</u>	<u>51,266,916</u>	<u>52,358,352</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds period ended 2014 £
Hire of facilities	10,748	-	10,748
	<u>10,748</u>	<u>-</u>	<u>10,748</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds period ended 2014 £
General Annual Grant (GAG)	-	9,206,598	9,206,598
Other EFA Grants	-	868,914	868,914
Other Government Grants	-	513,683	513,683
Other Income	81,335	57,167	138,502
	<u>81,335</u>	<u>10,646,362</u>	<u>10,727,697</u>

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

6. RESOURCES EXPENDED

	Staff costs	Non Pay	Expenditure	Total
	2014	Premises	Other costs	2014
	£	2014	2014	£
		£	£	
Direct costs	7,338,702	-	920,802	8,259,504
Support costs	962,331	765,057	28,420	1,755,808
Charitable activities	8,301,033	765,057	949,222	10,015,312
Governance	-	-	110,574	110,574
	8,301,033	765,057	1,059,796	10,125,886

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

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

7. CHARITABLE ACTIVITIES

	Total funds period ended 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	6,095,645
National insurance	461,716
Pension cost	781,341
Educational supplies	410,055
Examination fees	134,329
Staff development	42,831
Technology costs	139,217
Travel and subsistence	68,630
Other costs	125,740
	<hr/> 8,259,504
SUPPORT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	799,964
National insurance	61,939
Pension cost	100,428
Depreciation	7,004
Pension finance cost	21,000
Technology costs	133
Maintenance of premises and equipment	190,068
Cleaning	182,204
Rent and rates	126,655
Energy	164,066
Insurance	88,385
Security	13,679
Other costs	283
	<hr/> 1,755,808
	<hr/> 10,015,312 <hr/>

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds period ended 2014 £
Auditors' remuneration	-	14,250	14,250
Legal and professional fees	-	96,324	96,324
	<u>-</u>	<u>110,574</u>	<u>110,574</u>

9. STAFF

a. Staff costs

Staff costs were as follows:

	Period ended 31 August 2014 £
Wages and salaries	6,880,609
Social security costs	523,655
Other pension costs (Note 22)	881,769
	<u>8,286,033</u>
Compensation payments	15,000
	<u>8,301,033</u>

b. Compensation payments

Included in compensation payments are non-statutory / non-contractual severance payments totalling £15,000. This represents one payment made during the period.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

9. STAFF (continued)

c. Staff numbers

The average number of persons employed by the Trust during the period expressed as full time equivalents was as follows:

	Period ended 31 August 2014 No.
Teachers	195
Administration and support	86
	<hr/> 281 <hr/>

d. Higher paid staff

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

	Period ended 31 August 2014 No.
In the band £60,001 - £70,000	3
In the band £70,001 - £80,000	3
In the band £80,001 - £90,000	5
In the band £90,001 - £100,000	1
In the band £100,001 - £200,000	1
	<hr/> 13 <hr/>

The above employees participated in the Teachers' Pension Scheme. During the period, pension contributions amounted to £148,276.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

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

10. TRUSTEES' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 1 Trustee in respect of defined benefit pension schemes.

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	Period ended 31 August 2014 £
Mrs A Johnson	135,000-140,000

During the period, no Trustees received any reimbursement of expenses.

11. OTHER FINANCE INCOME

	Period ended 31 August 2014 £
Expected return on pension scheme assets	60,000
Interest on pension scheme liabilities	(81,000)
	<hr/> (21,000) <hr/>

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 22 October 2013	-	-	-	-	-
Additions	-	112,817	-	36,945	149,762
Assets on conversion	2,097,701	49,770,000	38,379	-	51,906,080
At 31 August 2014	2,097,701	49,882,817	38,379	36,945	52,055,842
Depreciation					
At 22 October 2013	-	-	-	-	-
Charge for the period	-	4,124	2,880	-	7,004
At 31 August 2014	-	4,124	2,880	-	7,004
Net book value					
At 31 August 2014	2,097,701	49,878,693	35,499	36,945	52,048,838

Freehold property and long-term leasehold property have been valued in line with insurance and third party valuations which the Trustees consider to be an appropriate basis for valuation.

13. DEBTORS

	2014 £
Trade debtors	22,586
Other debtors	202,304
Prepayments and accrued income	1,031,967
	<u>1,256,857</u>

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

	2014 £
Trade creditors	141,944
Other taxation and social security	235,243
Other creditors	23,475
Accruals and deferred income	283,184
	<u>683,846</u>

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

14. CREDITORS:
Amounts falling due within one year (continued)

	£
Deferred income	
Resources deferred during the period	169,163

At the period end, the Trust had received funding in advance for school meals and in relation to The Warren Secondary School joining the Trust.

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	-	1,183,519	-	(92,083)	-	1,091,436
Restricted funds						
General Annual Grant (GAG)	-	9,206,598	(8,699,273)	92,083	-	599,408
Other EFA Grants	-	868,914	(868,914)	-	-	-
Other Government Grants	-	467,528	(467,528)	-	-	-
School Trips	-	57,167	(57,167)	-	-	-
Pension reserve	-	(966,000)	(26,000)	-	(444,000)	(1,436,000)
	-	9,634,207	(10,118,882)	92,083	(444,000)	(836,592)
Restricted fixed asset funds						
Assets transferred on conversion	-	51,906,080	-	-	-	51,906,080
Assets acquired with funding	-	-	(7,004)	149,762	-	142,758
EFA Capital Grants	-	46,155	-	-	-	46,155
Capital Grants on conversion	-	326,836	-	(149,762)	-	177,074
	-	52,279,071	(7,004)	-	-	52,272,067
Total restricted funds	-	61,913,278	(10,125,886)	92,083	(444,000)	51,435,475
Total of funds	-	63,096,797	(10,125,886)	-	(444,000)	52,526,911

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

15. STATEMENT OF FUNDS (continued)

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

Unrestricted funds:

Surplus on conversion - resources received on conversion to the Trust which may be used towards meeting any of the objects of the Trust at the discretion of the Trustees.

Restricted funds:

General Annual Grant (GAG) - represents a number of different funding streams from the EFA, all of which are to be used to cover the running costs of the Trust.

Other EFA Grants - represents grants from the EFA including Pupil Premium, all of which are for specific purposes.

Other Government Grants - represents grants from other Government entities received for specific purposes.

School Trips - represents monies received from parents towards school trips.

Pension reserve - represents the current deficit balance on the Local Government Pension Scheme (LGPS).

Restricted fixed asset funds:

Assets transferred on conversion - represents the net book value of fixed assets transferred to the Trust on conversion.

Assets acquired with funding - represents the net book value of fixed assets acquired from capital funding transferred to the Trust on conversion.

EFA Capital Grants / Capital Grants on conversion - represent unspent capital grants as at the period end.

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

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

Loxford School of Science and Technology	1,463,274
Aldborough Primary School	227,570
	<hr/>
Total before fixed asset fund and pension reserve	1,690,844
	<hr/>
Restricted fixed asset fund	52,272,067
Pension reserve	(1,436,000)
	<hr/>
Total	52,526,911
	<hr/> <hr/>

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

15. STATEMENT OF FUNDS (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Loxford School of Science and Technology	7,154,838	907,570	904,728	874,395	9,841,531
Aldborough Primary School	183,864	49,761	23,078	20,648	277,351
	<u>7,338,702</u>	<u>957,331</u>	<u>927,806</u>	<u>895,043</u>	<u>10,118,882</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	1,183,519	-	(92,083)	-	1,091,436
Restricted funds	-	9,634,207	(10,118,882)	92,083	(444,000)	(836,592)
Restricted fixed asset funds	-	52,279,071	(7,004)	-	-	52,272,067
	<u>-</u>	<u>63,096,797</u>	<u>(10,125,886)</u>	<u>-</u>	<u>(444,000)</u>	<u>52,526,911</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds period ended 2014 £
Tangible fixed assets	-	-	52,048,838	52,048,838
Current assets	1,091,436	1,283,254	223,229	2,597,919
Creditors due within one year	-	(683,846)	-	(683,846)
Provisions for liabilities and charges	-	(1,436,000)	-	(1,436,000)
	<u>1,091,436</u>	<u>(836,592)</u>	<u>52,272,067</u>	<u>52,526,911</u>

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 31 August 2014 £
Net incoming resources before revaluations	52,970,911
Assets on conversion	(52,358,352)
Depreciation of tangible fixed assets	7,004
Capital grants from EFA	(46,155)
Increase in debtors	(1,256,857)
Increase in creditors	683,846
FRS 17 adjustments	26,000
Net cash inflow from operations	26,397

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

	Period ended 31 August 2014 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(149,762)
Capital grants from EFA	46,155
Net cash outflow capital expenditure	(103,607)

19. ANALYSIS OF CHANGES IN NET FUNDS

	22 October 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	-	1,341,062	-	1,341,062
Net funds	-	1,341,062	-	1,341,062

20. CONTINGENT LIABILITIES

In the event of the constituent academies of the Loxford School Trust Limited ceasing to operate as academies, provisions are included in the funding agreements relating to the clawback of assets and monies paid to the constituent academies.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

21. CAPITAL COMMITMENTS

At 31 August 2014 the Trust had capital commitments as follows:

	2014
	£
Contracted for but not provided in these financial statements	1,000,000

22. PENSION COMMITMENTS

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

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

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

22. PENSION COMMITMENTS (continued)

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.

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.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% 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 Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the 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 Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £231,000, of which employer's contributions totalled £175,000 and employees' contributions totalled £56,000. The agreed contribution rates for future years are 15.6% for employers and a maximum of 12.5% for employees.

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

As described in note 2 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

22. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.30	1,036,000
Bonds	3.10	536,000
Property	4.50	160,000
Cash	3.30	54,000
Total market value of assets		1,786,000
Present value of scheme liabilities		(3,222,000)
(Deficit)/surplus in the scheme		(1,436,000)

The amounts recognised in the Balance sheet are as follows:

	Period ended 31 August 2014 £
Present value of funded obligations	(3,222,000)
Fair value of scheme assets	1,786,000
Net liability	(1,436,000)

The amounts recognised in the Statement of financial activities are as follows:

	Period ended 31 August 2014 £
Current service cost	(180,000)
Interest on obligation	(81,000)
Expected return on scheme assets	60,000
Total	(201,000)
Actual return on scheme assets	127,000

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

22. PENSION COMMITMENTS (continued)

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

	Period ended 31 August 2014 £
Current service cost	180,000
Interest cost	81,000
Contributions by scheme participants	56,000
Actuarial losses	511,000
Transfer on conversion	2,394,000
	<u>3,222,000</u>
Closing defined benefit obligation	<u>3,222,000</u>

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

	Period ended 31 August 2014 £
Expected return on assets	60,000
Actuarial gains	67,000
Contributions by employer	175,000
Contributions by employees	56,000
Transfer on conversion	1,428,000
	<u>1,786,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £444,000.

The Trust expects to contribute £234,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014
Equities	58.00 %
Bonds	30.00 %
Property	9.00 %
Cash	3.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014
Discount rate for scheme liabilities	3.70 %
Expected return on scheme assets at 31 August	5.10 %
Rate of increase in salaries	3.50 %
Rate of increase for pensions in payment / inflation	2.70 %

LOXFORD SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

22. PENSION COMMITMENTS (continued)

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

	2014
Retiring today	
Males	22.0
Females	24.1
Retiring in 20 years	
Males	24.3
Females	26.7

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(3,222,000)
Scheme assets	1,786,000
Deficit	(1,436,000)
Experience adjustments on scheme liabilities	(511,000)
Experience adjustments on scheme assets	67,000

23. OPERATING LEASE COMMITMENTS

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

	2014 £
Expiry date:	
Between 2 and 5 years	6,452

24. RELATED PARTY TRANSACTIONS

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

There have been no transactions requiring disclosure in the accounts.