



**The Cotswold School Academy Trust
(a company limited by guarantee)**

Annual Report and Financial Statements

Year ended 31 August 2014



**Company Registration Number:
07338767 (England and Wales)**



Contents

Page

Reference and Administrative Details	1-2
Trustees' Report	3-12
Governance Statement	13-15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report	18-19
Independent Reporting Accountant's Report on Regularity	20-21
Statement of Financial Activities	22
Balance Sheet	23
Cash Flow Statement	24
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	25-27
Other Notes to the Financial Statements	27-41



Reference and Administrative Details

Trustees

Local Authority:

Mrs A Everitt (Chair and Member) ^{^^}

Co-opted:

Mr R Hadley (Vice Chair and Member) ^{^^}
Lady M Dunrossil (Vice Chair and Member) ^{^^}
Mr M Tufnell (resigned 31 January 2014)

The Revd V James (resigned 31 July 2014)
Mr D Hanson
Mrs M Joyce
Mr M Read * (appointed 1 March 2014)

Parent:

Squadron Leader D Bon (resigned 30 March 2014)
Mrs F Bygrave (resigned 31 March 2014)
Mr D Shelmerdine
Mr C Dry
Miss C Roffe
Ms L Baker (appointed 16 December 2013)
Mrs C Lock (appointed 11 October 2013)
Mr M Triff (appointed 7 May 2014)

Staff:

Miss L Newton
Mr W Morgan * (Principal and Accounting Officer)
Mr B Edwards

* members of the Finance and Audit Committee

^ members of the Company

Senior Management Team/ Executive Officers:

Principal	Mr W Morgan
Vice Principal	Mr C Edwards (Associate Governor)
Vice Principal	Mr P White (Associate Governor)
Assistant Principal	Mrs C Grover
Assistant Principal	Mrs F Hudson
Assistant Principal	Mr S Smith
Assistant Principal	Mr B Edwards
Assistant Principal	Dr M Scantlebury
Assistant Principal	Ms G Littler

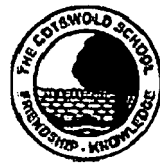
Finance:

Academy Business Manager
(Bursar)

Mrs V Turner (Associate Governor)

Clerk:

Mrs H Monteith



Reference and Administrative Details (continued)

Principal and Registered Office	The Avenue Bourton on the Water Gloucestershire GL54 2BD
Company Registration Number	07338767 (England and Wales)
Independent Auditor	Crowe Clark Whitehill LLP Carrick House Lypiatt Road Cheltenham GL50 2QJ
Bankers	Lloyds Bank plc High Street Moreton-in-marsh Gloucestershire GL56 0AY
Solicitors	Kendall & Davies Ltd Solicitors and Commissioners for Oaths Cheltenham House The Square Stow-on-the-Wold Gloucestershire GL54 1AB



Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's reports of the Charitable Company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

Structure, Governance and Management

Constitution

The Cotswold School Academy Trust was established on 6 August 2010 as a company limited by guarantee and an exempt charity, and converted to Academy status on 6 September 2010. The Charitable Company's Memorandum and Articles of Association for Academies together with the Funding Agreement dated 19 August 2010 and supplementary Deed of Variation dated 23rd July 2013 entered into with the Secretary of State for Education are the primary governing documents of The Cotswold School Academy Trust.

The Trustees of The Cotswold School Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Cotswold School Academy Trust or The Cotswold Academy.

Details of the Trustees who served throughout the period except as noted are included in the Reference and Administrative Details on pages 1 and 2.

Members' Liability

There are three Members of the Academy Trust (Mr R Hadley, Mrs A Everitt and Lady M Dunrossil) who undertake to contribute to the assets of the Charitable Company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

Trustees' Indemnities

The Academy has insurance cover in force for Trustees' liability. The indemnity limit is £5,000,000.

Method of Recruitment and Appointment or Election of Trustees

Regard is given to the skills mix of the Trustees to ensure that the Board of Trustees has all the necessary skills required to contribute fully to the Academy's development.

The Board of Trustees of The Cotswold School Academy Trust resolves to have the following categories of Trustee. The agreed term for all Trustee categories is four years save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected. They are recruited and elected as follows:

a) Parent

Subject to Articles 50-58 of the Articles of Association. The Board of Trustees takes such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given opportunity to do so.

This is usually done via a letter email from the Chair of Trustees to the home addresses of all registered pupils, accompanied by a nomination form. Parents may self-nominate. Nominations are received by midday on a stipulated day. Ballot Papers are then sent to registered pupils' homes outlining candidate credentials. Completed Ballot Papers are requested to be returned to The Clerk to the Board of Trustees by midday on a set date (approximately 2 calendar weeks from the day ballot papers are delivered). The Parent Trustee may only be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he/she is elected. The Clerk to the Board of Trustees tallies the votes received by ballot paper and the nominee polling the majority of votes is duly elected. The Clerk to the Board of Trustees publishes the results.

b) Community, Partnership and Staff

For all cases, these Trustee candidates are nominated by a current Trustee. Nominations must be seconded by another serving member of the Board of Trustees. If the nomination is not contested, a



Trustees' Report (Continued)

vote is given by a show of hands. In the case where a vacancy is contested (there is more than one candidate), the nominees if present leave the meeting and votes are made by secret ballot. Votes are counted by the Clerk to the Board of Trustees who announces the results. The nominee polling the majority of votes is duly elected. The nominee(s) return to the meeting and are informed of the result by The Chair. Trustees must be present at a meeting in order to cast their vote.

The Board of Trustees resolves to have positions of special responsibility for Trustees, in addition to the above categories. These specialist responsibilities include but are not limited to: Performance Management, SEN, Link, Academy Council Link, Health and Safety, Child Protection, and Responsible Officer.

c) Local Authority (LA)

The Board of Trustees may also have an LA Trustee post. The Local Authority may appoint that LA Trustee (*ref: Articles 51 and 138, Articles of Association*).

Recruiting the Chair of Trustees and Vice Chair roles

The Clerk to the Board of Trustees chairs the meeting for the item to elect the Chair. The Chair takes over the meeting, once elected, including the item to elect the Vice-Chair.

A Trustee who is paid to work at the Academy or is a pupil at the Academy is not eligible for the office of Chair or Vice-Chair. The Academy's Board of Trustees resolves that the following process will apply to the election of Chair and Vice-Chair:

Trustees will be able to submit written nominations prior to the Board of Trustees and verbal nominations at the meeting. A Trustee can nominate him/herself for office and does not need to be present at the meeting to be considered.

Trustees must be present at a meeting in order to cast their vote. During an election, nominee(s) may be asked to leave the room whilst the election process takes place. If there is more than one nominee, the remaining Trustees will vote by secret ballot. The Clerk will tally the votes.

The nominee(s) will return to the meeting. The Clerk will announce the result, with the nominee polling the majority of votes being duly elected.

If there is a tie, each candidate will be given the opportunity to speak to the Trustees about their nomination and a further vote by secret ballot would be taken.

If there is still a tie, Trustees should discuss the strengths of the nominees further, and another vote will be taken. This process will repeat until a nominee polls a majority of the votes.

Policies and Procedures Adopted for the Induction and Training of Trustees

Mr C Dry has been nominated as the 'Link' Trustee responsible for Trustee induction and training and has arranged for each Trustee to receive the Academy's Governor Handbook. Gloucestershire County Council Governor Services offers training days for those requiring them.



Trustees' Report (Continued)

Organisational Structure

The Board of Trustees meets twice termly to receive reports from its committees and manage its strategic objectives.

The Board of Trustees has two main committees:

- a) Finance and Audit Committee – which meets at least once in the autumn, spring and summer terms to consider the annual budget, management accounts and any premises requirements; and
- b) Curriculum Committee – which meets at least once in the autumn, spring and summer terms to consider curriculum issues.

The Board has five other committees and a working party that meet on an ad hoc basis.

- (a) Pay & Performance Management Committee – meets to review the Principal's recommendations on the senior staff, and sets the Principal's pay.
- (b) Pupil Discipline Committee
- (c) Community Use Committee
- (d) Staff Grievance Committee
- (e) Admissions Committee
- (f) Premises Working Party

The day to day management is delegated to the Principal as laid out in the Governors' Scheme of Delegation document. The Principal and Trustees have appointed a senior leadership team comprising the Principal, two Vice Principals and six Assistant Principals. The Principal meets regularly with the Academy Business Manager to ensure that the Academy operates within its funding levels. The Principal is the appointed Accounting Officer.

Risk Management

The Board of Trustees has drawn up a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risk the Academy faces, scoring and prioritising them in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of negating the risks, then considering the costs of operating particular controls relative to the benefit obtained. The internal control systems and the exposure to risks are considered on a regular basis by Management and Trustees.

Connected Organisations, including Related Party Relationships

The Cotswold Academy maintains links with The Crypt Academy to share best practice in Teaching and Learning and has built considerably upon its links with its feeder primary Academies. Teaching and Learning practice is readily shared and classes regularly visit The Cotswold Academy to take part in Science, Maths and English activities as well as Physical Education. Also, staff from The Cotswold Academy visit local primary Academies to assist in lesson delivery and share practice. These strengthened links have shown improvement in the smooth transition of pupils from primary Academy to secondary level, with Year 7s quickly settling into the Academy and achieving in lessons.

Gloucestershire College (GlosCol) is launching a blue-ribbon 'Chef Training Academy' which will operate from The Cotswold Academy's teaching kitchen. This will appeal to the local hotel and tourism industry and fill a long-felt want for apprenticeship courses in the area. Mr Morgan and Mr Smith of the Design and Technology Department have welcomed this approach and the Cotswold Academy expects to be hosting post-16 apprenticeship courses as GlosCol's North Cotswold hub in Spring 2015.

The teaching kitchen is regularly used by Rotary Club International for club and district level 'Young Chef' competitions in which students from across the region take part. The local Rotary association provides Cotswold Academy students with a variety of competition opportunities which give them the chance to stretch their skills, showcase their talents while also enriching the curriculum still further. Rotary also assists with mock interviews for Sixth Formers, providing those students with valuable preparation for workplace and university interviews.



Trustees' Report (Continued)

The Academy's Facilities Coordinator, recruited in January 2013 to manage the use of the Academy's facilities after hours, has continued to grow community usage. Uptake has increased and The Cotswold Academy's sports facilities are used every weekday night, most weekends and every week of the holidays by the wider community for sports clubs, activity groups and classes from primary to adult level. As a result of the facilities, new clubs have been formed in the community for both football and netball. The local community has also benefitted from the use of the Academy's buildings for orchestra rehearsals, performances and large-scale events. Adult learning opportunities in the evenings have also taken place in both carpentry and cookery.

The Academy places ever-increasing importance on careers and post-16 education pathways. A member of teaching staff has been given overall responsibility for this area and assisted by a qualified careers guidance practitioner and 3 members of support staff, links with local business and the community have increased over the year. The Academy now operates a successful careers evening with a wide variety of professions represented, all drawn from the Academy community and volunteering their time.

The Academy has continued with its investment into alternative learning opportunities for those pupils who made use of the provision last year. Certain Year 10 students have benefitted from tuition in subjects that are not offered in the standard curriculum. The course provider, Launchpad, occupies a purpose built site some distance from The Cotswold Academy and offers subjects such as construction and farm management. The Academy has continued to arrange transport to and from these courses on a weekly basis.

Objectives and Activities

Objects and Aims

The sole activity of the Academy is the operation of the Academy to provide education for pupils of different abilities between the ages of 11 and 19.

The Academy's aims are:

- To raise the standard of educational achievement of all pupils;
- To ensure that every child enjoys the same high quality education in terms of resources, tuition and care;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To provide a sustainable programme of curriculum enrichment for the education of all pupils;
- To conduct Academy business in accordance with the highest standards of integrity, probity and openness;
- To set realistic educational targets that maintain and develop the Academy's excellent academic progress, and ensure that those targets are met;
- Establish and maintain procedures for monitoring, evaluating and reviewing the quality of learning, teaching, pupil development and achievement;
- Review policies regularly in accordance with legislative requirements; and
- Ensure that Academy policies and local/national regulatory requirements for premises, health and safety and well-being of staff and pupils are met.

Objectives, Strategies and Activities

The Academy has clear targets and strategies which flow from the Self Evaluation Form (SEF) and are included within the Academy Development Plan. The points below underpin these specific targets for the year:

- A fully comprehensive intake;
- A broad and inclusive curriculum; and
- A positive ethos that ensures fairness and transparency for all stakeholders.



Trustees' Report (Continued)

Significant activities linking to charitable activities include:

A busy programme of fundraising events which includes an Annual Fashion Show, charitable fundraising project for Year 7 with LEPR, Year 8's charity fete, use of Academy grounds as a public weekend car park in the summer, and non-uniform days for pupil nominated charities. The Academy's facilities are let out to local community groups such as neighbourhood community policing and holiday sport programmes, either for free or at heavily reduced rates to support the local community.

Further offsite fundraising activities include: annual carol concert in aid of Muscular Dystrophy at Gloucester Cathedral, choral events, Musical showcases, and the annual upper Academy's Christmas lunch and show for local care-home residents. Both individuals and small groups of students and staff are recognised for their endeavours for charity and raising awareness of local and international causes. A Year 11 pupil carried out a sponsored walk of The Cotswold Way to raise funds for her peers who cannot readily take part in Academy trips. Three girls in Year 10 organised their own weekend event to raise funds for an infant cancer charity. Meanwhile, staff lead by example, regularly taking part in marathons, fun runs and a wide range of activities to support a variety of charities and encouraging pupils to do similarly.

Objectives from the Academy Development Plan for the Years 2013-2014

a) Pupil Attainment and Achievement

To raise Achievement and attainment for all learners by meeting the following objectives:

- All departments set and achieve their specific targets;
- Improved Y6-7 transition arrangements to ensure pupils progress, academically and pastorally, when they join The Cotswold School Academy;
- Enhanced identification and early intervention for pupils who fall below target;
- To raise particular departmental performance where necessary; and
- Ensure appropriate destinations for all our Y11, Y12, Y13 leavers

To raise Achievement and attainment for all KS4 and KS5 learners to maximise their Post 16 options by meeting the following objectives:

- Ensure that all Sixth Form students are following an appropriate number and quality of qualifications;
- Embed the use of ALPS and mini-ALPS data;
- Raise the participation levels of EPQ and improve the quality of provision/support;
- Develop the Sixth Form curriculum further;
- To be well prepared for the changes to A level assessment structure; and
- Set up a Sixth Form Peer Coaching structure

b) Pupils' Behaviour & Safety

- To further enhance and develop PSHE provision/Citizenship and Tutor time;
- To further develop and enhance the Staff and Peer Mentoring programmes within the Academy;
- To further enhance and develop the primary/secondary transition for vulnerable groups and to ensure early identification and intervention to improve the attendance of FSM/SEND pupils; and;
- To continue work in the areas of anti-bullying and eSafety. To this end, in June 2014, after rigorous examination and assessment, The Cotswold Academy was awarded with the 360 degree Online Safety accreditation for its work in e-safety.

At Sixth Form level:

- To increase the number of Sixth Form students engaging in extra curricular activities, build careers provision and improve provision for students to develop their interview skills.



Trustees' Report (Continued)

c) Quality of Teaching and Learning

- To improve further the positive impact that assessment has on pupil progress;
- Staff continue to develop as reflective practitioners; and
- Raise the profile of cross curricular themes and awareness of SEND.

At Sixth Form level

- To improve students' independent learning skills; and
- Increase focus on Sixth Form specific Teaching and Learning.

d) The Effectiveness of Leadership and Management

- To raise achievement and attainment for all learners; and
- To evaluate and maximise the potential of Academy status. This has included: workforce planning; staff and succession planning; to consolidate the future balance to protect against funding cutbacks; to embrace new systems and technologies, to ensure capacity due to rising roll and 'raise in Academy leaving age'; to improve the community use of our Academy's facilities.

Public Benefit

As a non-selective state secondary Academy, The Academy's work is, by its very nature, to the public benefit. The Academy offers a broad curriculum to pupils of all abilities aged from 11-19 who come from varied socio-economic backgrounds in a semi-rural catchment area. Parochial care and attention to special needs are an important part of the Academy's ethos to promote the individual in a caring environment.

Furthermore, the Trustees have had regard to Charity Commission guidance on public benefit beyond the provision of secondary education. It conducts its business with great consideration to its neighbours. There is a strong policy to promote public use of its buildings and land for clubs, sport, and tuition to the benefit of the community. When converting to Academy status, the Academy has taken on a formal policy of community cohesion. The Academy has two dedicated members of staff who promote community use and a Committee of appropriate stakeholders who meet to discuss and agree strategies for development.

Strategic Report

Achievements and Performance

Ofsted

Ofsted has judged The Cotswold Academy as 'Outstanding' in three consecutive inspections with the most recent Ofsted inspection judging the Academy *Outstanding* in every single category, concluding that this is a "truly exceptional Academy".

In the last inspection, inspectors observed "a blazing passion to ensure every student is able to be the best they can". Inspectors also identified: "Inspiring teaching", an "outstanding curriculum", "exemplary behaviour" and "very positive relationships" as the ingredients that make The Cotswold Academy such an enjoyable and exciting place to learn.

To ensure focus is maintained on achievement and performance, the Academy's Trustees regularly inspect self-evaluation reports carried out by the Principal and Senior Leadership Team throughout the year. This ensures rigorous standards are maintained and built upon while the objectives in the Academy Development Plan are kept constantly in focus.

In January 2014, the Principal, Mr Morgan received a personal letter of congratulations from Rt Hon David Laws MP, Minister of State for Academics for the excellent improvement in GCSE results for the Academy over the years from 2011-2013. The letter stated that The Cotswold Academy '*has proven to be one of the top 100 in England showing the greatest sustained improvement in the percentage of pupils achieving 5 or more A*-C grades in GCSEs including English and Mathematics.*'



Trustees' Report (Continued)

GCSE Results 2014

Of the 195 who sat their GCSEs, 80.0% of students achieved 5-15 top A*-C grades this year with 72.3% of students achieving 5 or more A*-C grades including English and Maths. Over one third of all GCSE entries were at the top A* and A grades and 41% of our students achieved the EBacc.

We also gauge the percentage of pupils making expected progress:

- In English Language, 80% of pupils made three or more levels of progress;
- In English Literature, 83% of pupils made three or more levels of progress; and
- In Mathematics 84% of pupils made three or more levels of progress.

As well as the truly outstanding results at GCSE this year were stories of individual triumph achieved by students who succeeded in the face of real adversity thanks to their own perseverance and the support received from the Academy and dedicated staff.

A Level Results 2014

2014 has been a fantastic, record-breaking year at The Cotswold Academy for A level results, with 69.4% of examinations awarded A*, A or B. 34.6% of all grades were at A* or A. 56% of Cotswold Academy A Level students achieved at least one A grade; 18% achieved at least one A* grade, with two students achieving three A*s and one student achieving four A*s. On average each student gained 369 UCAS points.

We have been ranked as #1 comprehensive Sixth Form in Gloucestershire and 24th in the country in The Daily Telegraph's league tables (Aug 2014).

Achievement at The Cotswold Academy is also measured by the Academy's broad, holistic approach to education. Pupils are encouraged to broaden their educational experience. The vast range of extra-curricular activities offers curriculum enrichment, inspiration, and a chance for students to explore new interests and expand their learning.

The annual Activities week takes place in July and involves all students in either work experience, team building exercises and/or experiencing a range of interesting, inspiring extra-curricular activities.

Pupils of all age groups take part in clubs, local, regional and national competitions and workshops in philosophy, debate, art, media, music, drama, science and engineering, mathematics, food and design technology and sports. Pupils recognised as 'gifted and talented' are further encouraged to take part in a variety of special clubs run after Academy hours that will challenge and extend their learning.

Supported by their teachers and an enriched curriculum, students excel. Examples include: a geography student developing a full environmental feasibility study for the Academy's use as a site for photovoltaic plates; winners at Club, District and Regional levels of Rotary International Competitions for Young Chefs, Young Photographers, Young Artists and Young Writers; and further superb performances at regional Maths Challenges, philosophical debates, Science and STEM events.

The Academy builds upon its local business network to benefit students. Drawing from its network, the Academy hosts increasingly well-attended careers evenings with a variety of industries represented. Fashion Designer George Davies has continued to provide work experience opportunities and also his valuable support for the Academy's Textile department. Local businesses regularly contribute their time and expertise as guest speakers and have begun to approach the Academy with apprenticeship and employment opportunities for Academy leavers.

The trips on offer are also second to none: Nicaragua, New York, Iceland, Spain, Germany, France, Italy, Belgium, Poland have been explored for sport, culture, history, art, design, business, IT, language, and geography, as well as for personal growth and an improved understanding of the world beyond Bourton on the Water.



Trustees' Report (Continued)

The Academy is regularly host to students and teachers from around the world. Japanese visitors as well as regular German and French exchange pupils enjoyed their time at the Cotswold Academy, while a group of Chinese students spent a month with the Academy in the summer term. There was also a teacher exchange with a partner Academy in the Ndola province of Zambia.

In September 2013, the Academy successfully attained its International Status accreditation awarded by the British Council. This marks the Academy's commitment to enabling pupils to learn more about different cultures, people and languages. In so doing, students acquire an appreciation and respect for other cultural traditions as well as their own. Importantly, International Status to The Cotswold Academy also means an important opportunity to represent the Academy, the region and Great Britain.

Going Concern

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

Financial Review

The Academy had total incoming resources for the year of £6,811,362 (2013: £6,895,700) and total resources expended of £6,967,731 (2013: £6,738,926) giving a net deficit of £156,369 (2013: £156,774 surplus) before taking into account the actuarial loss on the defined benefit pension scheme. The deficit increases to £756,369 (2013: £184,774 surplus) once this is taken into account.

Income

As a 'Converter' Academy the main funds 'General Annual Grant' were received via the Education Funding Agency. Other funds have been received by Gloucestershire County Council (as the Local Authority), and donations. Income was received for completion of a phased roofing replacement funded by the ACMF which had been approved in the prior year.

Expenditure

An anticipated increase in pupil numbers for September 2014 (to 1260) and corresponding funds for 2015/16 has meant a need for increased staffing requirements. Full and part time teaching staff was increased to 80 (+ 8 Maternity covers) in 2013/14 from 76 (+ 3 maternity covers) in 2012/13. Key performance indicators show an increase to 80% staffing ratio of salary costs to total income (from 77% in 2012/13).

There was continued expenditure on the upkeep of the plant and fabric of the building. Final invoices were received for completion of the new caretakers storage and work area (phase one) and 4 classroom Geography and Sixth Form (phase two) programme to extend Geography and Sixth Form areas.

Staffing costs have risen in line with numbers and reflect a good balance of mature and newly qualified staff.

In line with other Academies, running costs represent a large part of the Academy's costs. They reflect the high energy consumption of IT and building services required in a campus such as the Cotswold School's where, by necessity, the growing Academy is comprised of a variety of extended buildings of differing ages and construction. Alternative energy sources are being investigated as the cost of energy increases and every effort is made to conserve energy.



Trustees' Report (Continued)

Reserves Policy

The policy of the Academy is to carry forward a level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the Department for Education.

The Academy began the year with total reserves of £16,184,748. Following a period of suitable fiscal control, the Academy reserves stand at £15,428,379. This includes unrestricted funds of £650,171 (2013: £992,765).

The pension reserve shows a net liability of £1,758,000 at 31 August 2014 and changes to this liability linked to a revaluation of the whole pensions fund (administered by Gloucestershire County Council) will be reviewed during the year. If the liability does not reduce, the Academy Trust may need to consider increasing its employer's contribution rate.

Investment Policy

Trustees have agreed a policy for investment of balances. The strategy is as follows: To regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments. The Academy will seek to avoid its current account going overdrawn. It will identify funds surplus to immediate cash requirements and transfer to a Deposit Account bearing a higher interest rate. To periodically review interest rates and compare with other investment opportunities. The Academy's current policy is only to invest in risk free UK banks.

Principal Risks and Uncertainties

The Trustees of The Cotswold School Academy Trust have a Risk Assessment Policy in force. This has identified Strategic, Operational, Regulatory and Financial risks. Likelihood and impact of the risks have been assessed and methods of avoiding, transferring and mitigating these have been taken into consideration. Principal risks have been identified are those which affect the running of the Academy e.g. fire, flood, storm and major incident. It also includes those which affect the financial aspect of the Academy e.g. loss of reputation affecting pupil numbers on roll, and possible fraud. Other risks identified are risk of injury to those on site and also potential loss of Academy data.

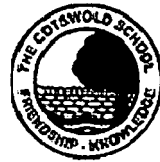
Plans for Future Periods

The Trustees' Premises Development Plan is maintained as a working document and aids decision making with regard to prioritising for future projects and developments. The Trustees approved expenditure to commence on a three stage project in the preceding academic year. Works completed included: building new caretaker's storage and work area and a new four classroom block which was completed by April 2014. Further plans to complete Stage 3; the provision of Sixth Form study space, will proceed when funds allow. Discussions have taken place between Gloucestershire County Council and Trustees regarding the allocation of s106 monies. Gloucestershire County Council have agreed that s106 monies will be approved to fund the Sixth Form expansion project.

Following the development of the new 4 classroom block and the relocation of the Geography Department to that building, the Art department was refurbished and extended over July and August 2014, and took over the rooms vacated by Geography.

Trustees are aware of the pressing need to refurbish and replace roofing in older parts of the Academy and also in flat-roof areas across the site. Trustees commissioned a full roofing survey and works will proceed when funds allow. Additionally, a toilet refurbishment programme has also been ear-marked as a priority by The Trustees and the student body alike. Again, this will proceed when funds allow.

The turning circle and access to the Academy remains a concern but to date no further development plan has been reached with Gloucestershire Highways.



Trustees' Report (Continued)

Auditor

In so far as Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The appointment of the current auditor, Crowe Clark Whitehill LLP, will be continued in accordance with Section 487(2) of the Companies Act 2006.

The Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Board of Trustees on 15 December 2014 and signed on its behalf by:

MRS A EVERITT

On behalf of the Board of Trustees



Governance Statement

Scope of Responsibility

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

The Board of Trustees 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 The Cotswold School Academy Trust 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 Statement of Trustees' responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees is as follows:

Trustee	Meetings attended	Out of a possible
Mrs A Everitt (Chair)	6	6
Mr R Hadley (Vice Chair)	4	6
Lady Dunrossil (Vice Chair)	6	6
Squadron Leader D Bon	2	4
Mrs F Bygrave	4	4
Mrs M Joyce	3	6
Mr C Dry	5	6
Mr D Shelmerdine	3	6
Mr M Tufnell	2	3
Mr M Read	3	4
Mr D Hanson	5	6
The Revd V James	4	6
Miss C Roffe	6	6
Mr W Morgan	6	6
Mr B Edwards	6	6
Miss L Newton	5	6
Mr M Triff	1	1
Ms L Baker	3	4
Mrs C Lock	3	5
Mr C Edwards (Associate Governor)	5	6
Mrs V Turner (Associate Governor)	6	6
Mr P White (Associate Governor)	6	6
Mrs H Monteith (Clerk)	6	6

The Finance and Audit Committee

This is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. The Committee makes appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis. Major issues are referred to the full board for ratification.



Governance Statement (Continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Hadley (Chair)	2	4
Mrs A Everitt	4	4
Lady Dunrossil	3	4
Mr W Morgan	3	4
Mr C Dry	2	2
Mr M Read	4	4
Mr C Edwards (Associate Governor)	3	4
Mr P White (Associate Governor)	3	4
Mrs V Turner Clerk (Associate Governor)	4	4

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The Board of Trustees 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 Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 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 Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and Audit 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; and
- identification and management of risks.



Governance Statement (Continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr C Dry, a Trustee, to perform peer review. The reviewer'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 reviewer 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.

Past reports issued by Crowe Clark Whitehill LLP have been extremely helpful in checking procedures and formulating accounts for the Cashless Catering System and development of the Sports Hall facility.

Review of Effectiveness


As Accounting Officer, Mr W Morgan has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the peer reviewer;
- the work of the external auditor; and
- the work of the executive managers within the Academy 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 Audit Committee.

Approved by order of the members of the Board of Trustees on 15 December 2014 and signed on its behalf by:


MRS A EVERETT
On behalf of the Board of Trustees


Mr W Morgan
Principal, Accounting Officer



Statement on Regularity, Propriety and Compliance

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

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

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

Mr W Morgan, Principal

Accounting Officer

Date 15 December 2014



Statement of Trustees' Responsibilities

The Trustees (who act as Governors for charitable activities of The Cotswold School Academy Trust and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

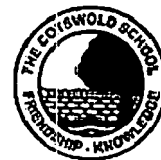
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 15 December 2014 and signed on its behalf by:


MRS A EVERITT
On behalf of the Board of Trustees



Independent Auditor's Report to the Members of The Cotswold School Academy Trust

We have audited the financial statements of The Cotswold School Academy Trust for the year ended 31 August 2014 set out pages 22 to 41.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the Charitable Company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

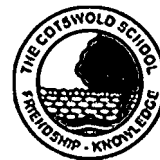
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report including the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 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, including the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent Auditor's Report to the Members of The Cotswold School Academy Trust (Continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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
- 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

Martin Regan

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House

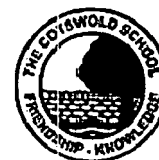
Lypiatt Road

Cheltenham

Gloucestershire

GL50 2QJ

Date 16 December 2014



Independent Reporting Accountant's Assurance Report on Regularity to The Cotswold School Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 15 November 2012 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 the Academy 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 the Governing Body and the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Academy 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 Cotswold School Academy Trust and the EFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Cotswold School Academy Trust's funding agreement with the Secretary of State of Education dated 19 August 2010, the supplementary Deed of Variation dated 23 July 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 1 September 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.

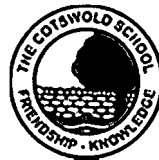
Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.



Independent Reporting Accountant's Assurance Report on Regularity to The Cotswold School Academy Trust and the Education Funding Agency (Continued)

Conclusion

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

Crowe Clark Whitehill LLP

Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date 16 December 2014



Statement of Financial Activities for the Year Ended 31 August 2014
(Incorporating an Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds	Restricted Fixed asset Fund	Restricted General Fund	Total 2014	Total 2013
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	3	47,210	27,000	51,694	125,904	51,879
Activities for generating funds	4	249,853	-	-	249,853	247,450
Investment income	5	5,438	-	-	5,438	11,922
Incoming resources from charitable activities:						
Funding for educational operations	6a	198,946	26,140	6,137,758	6,362,844	6,497,502
Other income	6b	-	-	67,323	67,323	86,947
Total incoming resources		501,447	53,140	6,256,775	6,811,362	6,895,700
Resources expended						
Cost of generating funds:						
Catering costs	7	97,272	-	-	97,272	96,413
Charitable activities:						
Academy's educational operations	8	224,187	293,979	6,289,123	6,807,289	6,580,763
Governance costs	9	-	-	63,170	63,170	61,750
Total resources expended	7	321,459	293,979	6,352,293	6,967,731	6,738,926
Net (outgoing)/incoming resources before transfers		179,988	(240,839)	(95,518)	(156,369)	156,774
Gross transfers between funds		(522,582)	522,582	-	-	-
Net (expenditure)/income for the year		(342,594)	281,743	(95,518)	(156,369)	156,774
Actuarial (losses) / gains on defined benefit pension scheme	22	-	-	(600,000)	(600,000)	28,000
Net movement in funds		(342,594)	281,743	(695,518)	(756,369)	184,774
Reconciliation of funds						
Total funds brought forward at 1 September 2013	18	992,765	16,160,705	(968,722)	16,184,748	15,999,974
Total funds carried forward at 31 August 2014	18	650,171	16,442,448	(1,664,240)	15,428,379	16,184,748

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

The notes on pages 25 to 41 form part of these financial statements.

**Balance Sheet as at 31 August 2014**

Company number: 07338767

	Note	2014	2014	2013	2013
		£	£	£	£
Fixed assets					
Tangible fixed assets	13		16,415,448		16,160,705
Current assets					
Stock	14	12,584		14,908	
Debtors	15	89,293		58,975	
Cash at bank and in hand		1,327,612		1,860,272	
		1,429,489		1,934,155	
Creditors: Amounts falling due within one year	16	(658,558)		(796,112)	
Net current assets			770,931		1,138,043
Total assets less current liabilities (excluding pension liability)			17,186,379		17,298,748
Pension scheme liability	22		(1,758,000)		(1,114,000)
Net assets including pension liability			15,428,379		16,184,748
Funds:					
Unrestricted funds:					
General fund	18		650,171		992,765
Restricted funds:					
Restricted fixed asset fund	18		16,442,448		16,160,705
Restricted income fund	18		93,760		145,278
Pension reserve	18		(1,758,000)		(1,114,000)
			15,428,379		16,184,748

The financial statements were approved by the Trustees on 15 December 2014 and signed on their behalf by:

MRS A EVERITT

On behalf of the Board of Trustees

The notes on pages 25 to 41 form part of these financial statements.



Cash Flow Statement for the Year Ended 31 August 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	23	(42,516)	562,661
Return on investments and servicing of finance	24	5,438	11,922
Capital expenditure and financial investment	25	(495,582)	(224,531)
(Decrease)/ Increase in cash and cash equivalents	26	<u>(532,660)</u>	<u>350,052</u>
Reconciliation of net cash flow to movement in net funds			
Movement in cash		(532,660)	350,052
Net funds at 1 September 2013		<u>1,860,272</u>	<u>1,510,220</u>
Net funds at 31 August 2014		<u>1,327,612</u>	<u>1,860,272</u>

The notes on pages 25 to 41 form part of these financial statements



Notes to the Financial Statements for the Year Ended 31 August 2014

1. STATUS OF CHARITABLE COMPANY

The Charitable Company is limited by guarantee. Each member of the Charitable Company has undertaken to contribute up to £10 to the Charitable Company's assets if it should be wound up.

2. STATEMENT OF ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historic cost convention in accordance with applicable United Kingdom Accounting Standards, the County Commission Statement of Recommended Practice: "Accounting and Reporting by Charities", ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Academy's financial statements:

b) Going concern

The Company has cash resources and has no requirement for external funding. The Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

c) Fund accounting

Unrestricted funds are those funds which may be used towards meeting the objectives of the Academy at the discretion of the Trustees.

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

Restricted fixed asset funds are funds raised for the purpose of specific capital projects.

d) Incoming resources

Incoming resources are included in the Statement of Financial Activities ("SOFA") when the Academy is legally entitled to the income and the amount can be quantified with reasonable accuracy. Other income includes sponsorship and is included when receivable by the Academy.

Grant income and grants for premises and equipment are recognised in the SOFA in the period in which they are receivable. Deferred income represents grant monies received for the provision of education which relate to the next financial year.

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



Notes to the Financial Statements for the year ended 31 August 2014 (Continued)

e) Resources expended

All outgoing resources are included in the SOFA on an accruals basis. Outgoing resources are net of recoverable VAT in accordance with the provisions of the Finance Bill 2011.

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 on the Academy's Trust's educational operations. Catering costs comprise the provision of a catering facility within the school. Governance costs are the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

Where costs cannot be directly attributed to a 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.

f) Tangible fixed assets

Tangible fixed assets acquired since the Academy was established are included in the financial statements 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 are released over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

The de minimus limit for capitalisation of fixed assets is £2,000.

Land is not depreciated. Fixed assets in the course of construction are not depreciated until they are brought into use. Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets by equal annual instalments over their useful lives as follows:

Buildings	-	2% straight line
Temporary buildings	-	4% straight line
Academy equipment	-	10% - 25% straight line
Office equipment	-	25% straight line
Motor vehicles	-	25% straight

g) 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 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.

h) Pensions

The Academy participates in two pension schemes providing benefits based on final pensionable pay. More details of the schemes are given in note 22.

Teachers' Pension Scheme (TPS)

Teaching staff employed under a contract of service are eligible to contribute to the Teachers' pension Scheme (TPS). As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, it 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 pension costs for the scheme represent the contributions payable by the Charitable Company in the period.

**Notes to the Financial Statements for the year ended 31 August 2014 (Continued)****i) Local Government Pension Scheme**

Non-teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit scheme and is able to identify the Academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

j) Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

k) Stock

Unsold uniform and catering stock is valued at the lower of cost or net realisable value.

l) Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the Academy to the obligation.

3. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Donations and voluntary funds	47,210	27,000	74,210	17,221
Contributions to educational activities	-	51,694	51,694	34,658
	47,210	78,694	125,904	51,879

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Uniform sales	21,713	-	21,713	42,772
Rental income	36,622	-	36,622	25,862
Sale of school meals	191,518	-	191,518	178,816
	249,853	-	249,853	247,450

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Bank interest income	5,438	-	5,438	11,922



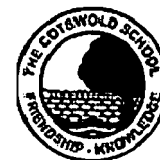
Notes to the Financial Statements for the year ended 31 August 2014 (Continued)

6a. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
DfE / EFA capital grant				
Academy main building grants	-	1,080	1,080	161,478
Capital formula grant	-	25,060	25,060	24,621
	-	26,140	26,140	186,099
DfE / EFA revenue grants				
General Annual Grant (GAG)	-	5,988,079	5,988,079	5,906,556
Pupil Premium	-	137,840	137,840	103,976
	-	6,125,919	6,125,919	6,010,532
Other Government grants				
Other grants	-	11,839	11,839	35,288
	-	11,839	11,839	35,288
Other Academy income				
School funds	198,946	-	198,946	265,583
	198,946	6,163,898	6,362,844	6,497,502

6b. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Tuition fees	-	67,323	67,323	71,221
Other Income	-	-	-	15,726
	-	67,323	67,323	86,947



Notes to the Financial Statements for the year ended 31 August 2014 (Continued)

7. RESOURCES EXPENDED

	Staff costs	Other	Depreciation	Total 2014	Total 2013
	£	£	£	£	£
Cost of generating funds					
Catering costs	-	97,272	-	97,272	96,413
Academy's educational operations					
Direct costs	4,490,286	904,719	293,979	5,688,984	5,457,460
Allocated support costs	708,650	409,655	-	1,118,305	1,123,303
	5,198,936	1,411,646	293,979	6,904,561	6,677,176
Governance costs including allocated support costs	-	63,170	-	63,170	61,750
	5,198,936	1,474,816	293,979	6,967,731	6,738,926

Incoming/outgoing resources for the year include:

	2014 £	2013 £
Operating leases- plant and machinery	3,256	3,256
Auditors Remuneration		
- audit fees	8,000	7,800
- other services	4,330	7,050



Notes to the Financial Statements for the year ended 31 August 2014 (Continued)

8. CHARITABLE ACTIVITIES – ACADEMY EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Direct costs				
Teaching and educational support staff costs	-	4,490,286	4,490,286	4,251,572
Depreciation	-	293,979	293,979	284,503
Educational supplies	21,716	306,113	327,829	307,499
Educational activities	202,471	-	202,471	278,966
Examination fees	-	103,538	103,538	112,419
Staff development	-	32,166	32,166	32,164
Educational consultancy	-	92,006	92,006	78,141
Other direct costs	-	146,709	146,709	112,196
	224,187	5,464,797	5,688,984	5,457,460
Allocated support costs				
Support staff costs	-	708,650	708,650	663,673
Recruitment and support	-	25,023	25,023	10,614
Maintenance of premises and equipment	-	145,815	145,815	194,350
Cleaning	-	11,884	11,884	14,435
Rent & rates	-	26,615	26,615	21,004
Utilities	-	92,032	92,032	98,269
Insurance	-	47,143	47,143	54,426
Security and transport	-	28,308	28,308	34,451
Telephone, printing and stationery	-	25,902	25,902	23,709
Other support costs	-	6,933	6,933	8,372
	-	1,118,305	1,118,305	1,123,303
	224,187	6,583,102	6,807,289	6,580,763

9. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	50,840	50,840	46,900
Auditors' remuneration	-	-	-	-
- audit of financial statements	-	8,000	8,000	7,800
- other services	-	4,330	4,330	7,050
	-	63,170	63,170	61,750

**Notes to the Financial Statements for the year ended 31 August 2014 (Continued)****10. STAFF COSTS**

The average number of persons (excluding Trustees), employed by the Academy during the year expressed as full time equivalent was as follows:

	2014	2013
	No	No
Management	9	9
Administration and support	47	46
Teachers	71	67
	127	122

The aggregate payroll costs during the period amounted to:

	2014	2013
	£	£
Wages and salaries	4,181,519	3,961,404
Social security costs	300,477	284,905
Pension costs	684,562	639,891
Supply teachers	32,378	29,045
	5,198,936	4,915,245

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

	2014	2013
	No	No
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these members of staff amounted to £22,290 (2013: £20,251).

11. TRUSTEES' REMUNERATION

The Principal and staff Trustees only receive remuneration in respect of services they provide in undertaking the roles of Principal and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees.

The value of Trustees' remuneration was as follows:

One staff Trustee (Principal)	£80,000 - £85,000 (2013: £75,000 - £80,000)
One staff Trustee	£50,000 - £55,000 (2013: £45,000 - £50,000)
One staff Trustee	£30,000 - £35,000 (2013: £30,000 - £35,000)

No Trustee received reimbursed expenses during the year (2013: nil).



Notes to the Financial Statements for the year ended 31 August 2014 (Continued)

12. TRUSTEES' AND OFFICERS INSURANCE

In accordance with normal practice the Charitable Company has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5m on any one claim and the cost for 2014 was £2,081 (2013: £231).

13. TANGIBLE FIXED ASSETS

	Land and Buildings £	Assets Under Construction £	Academy Equipment £	Office Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2013	16,313,896	203,294	277,380	56,642	24,655	16,875,867
Additions	24,748	523,974	-	-	-	548,722
Transfers	727,268	(727,268)	-	-	-	-
At 31 August 2014	17,065,912	-	277,380	56,642	24,655	17,424,589
Depreciation						
At 1 September 2013	577,862	-	87,112	31,696	18,492	715,162
Charge for the year	235,543	-	38,113	14,160	6,163	293,979
At 31 August 2014	813,405	-	125,225	45,856	24,655	1,009,141
Net book value						
At 31 August 2014	16,252,507	-	152,155	10,786	-	16,415,448
At 31 August 2013	15,736,034	203,294	190,268	24,946	6,163	16,160,705

14. STOCK

	2014 £	2013 £
Clothing	8,582	10,681
Catering	4,002	4,227
	<u>12,584</u>	<u>14,908</u>

15. DEBTORS

	2014 £	2013 £
Trade debtors	19,933	6,716
Prepayments and accrued income	25,826	26,394
Other debtors	13,035	6,038
VAT recoverable	30,499	19,827
	<u>89,293</u>	<u>58,975</u>



Notes to the Financial Statements for the year ended 31 August 2014 (Continued)

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	-	12,587
Accruals	28,553	222,082
Deferred income (see note 17)	27,030	5,077
Other creditors	602,975	556,366
	658,558	796,112

17. DEFERRED INCOME

	2014 £	2013 £
At 1 September 2013	5,077	29,040
Amounts released from previous years	(5,077)	(29,040)
Deferred in period	27,030	5,077
At 31 August 2014	27,030	5,077

At the balance sheet date, the Academy was holding funds of £12,834 for music tuition fees and £14,196 for EFA GAG rates relief funding received in advance of the 2014/15 financial year.



Notes to the Financial Statements for the year ended 31 August 2014 (Continued)

18. FUNDS

	Balance At 1 September 2013 £	Incoming Resources £	Expenditure £	Gains, Losses & Transfers £	Balance At 31 August 2014 £
Restricted Government Funds					
Other Government grants	-	11,839	(11,839)	-	-
Restricted General Funds					
General Annual Grant	145,278	5,988,079	(6,039,597)	-	93,760
Pupil Premium	-	137,840	(137,840)	-	-
Music Tuition	-	67,323	(67,323)	-	-
Other donations	-	51,694	(51,694)	-	-
Pension reserve	(1,114,000)	-	(44,000)	(600,000)	(1,758,000)
	(968,722)	6,244,936	(6,340,454)	(600,000)	(1,664,240)
Restricted Fixed Asset Funds					
DfE grants	705,338	26,140	(176,335)	-	555,143
Donations and voluntary funds	15,455,367	27,000	(117,644)	522,582	15,887,305
	16,160,705	53,140	(293,979)	522,582	16,442,448
Total Restricted Funds	15,191,983	6,309,915	(6,646,272)	(77,418)	14,778,208
Total Unrestricted Funds	992,765	501,447	(321,459)	(522,582)	650,171
Total Funds	16,184,748	6,811,362	(6,967,731)	(600,000)	15,428,379

Restricted Government Funds: These funds are provided by the government for specific projects including works to the Academy's bike shelter.

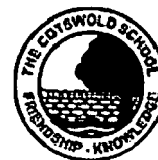
Restricted General Funds: EFA grants (including GAG), which must be used to meet the cost of running the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward as at 31 August 2014.

Other funds include pupil premium, music tuition and other donations which are to be spent on various restricted purposes as detailed in the original grant letter, instructions from the donors and provision of music tuition services. The Local Government Pension Scheme Liability is also included within this fund and further information can be found on note 22 of the financial statements regarding this balance.

Restricted Fixed Asset Funds: These funds relate to the land, buildings and other fixed assets which are owned by the Academy and used in accordance with the charitable objectives.

Unrestricted Funds: Represents income generated by the Academy (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

Transfers between funds relate to amounts expended on fixed assets from unrestricted funds which have been used for the acquisition of fixed assets during the period.



Notes to the Financial Statements for the year ended 31 August 2014 (Continued)

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Fixed Asset Fund	Restricted Income Fund	Pension Reserve	Total 2014
	£	£	£	£	£
Tangible fixed assets	-	16,415,448	-	-	16,415,448
Current assets	650,171	27,000	752,318	-	1,429,489
Current liabilities	-	-	(658,558)	-	(658,558)
Pension scheme liability	-	-	-	(1,758,000)	(1,758,000)
	<u>650,171</u>	<u>16,442,448</u>	<u>93,760</u>	<u>(1,758,000)</u>	<u>15,428,379</u>

20. CAPITAL COMMITMENTS

At 31 August 2014 the Academy had no capital commitments which were contracted for but not provided in these financial statements (2013: £524,524).

21. LEASE COMMITMENTS

The Academy has the following annual commitments under non-cancellable operating leases other than land and buildings which expire as follows:

	2014 £	2013 £
Within one year	3,256	-
In one to two years	<u>-</u>	<u>3,256</u>



Notes to the Financial Statements for the year ended 31 August 2014 (Continued)

22. PENSION SCHEME

The Academy is a member of two pension schemes.

Teachers Pension Scheme (TPS)

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.

The pension charge for the year includes contributions payable to the TPS of £434,950 (2013: £406,624), at the year-end £36,520 (2013: £nil) was accrued in respect of the contributions to this scheme.

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:

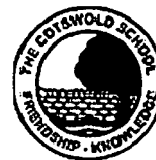
- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900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



Notes to the Financial Statements (Continued)

22. PENSION SCHEME (continued)

Teachers Pension Scheme (TPS)

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

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis. The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard 17 Retirement Benefits (FRS 17), the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy 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 has set out above the information available on the scheme.

Local Government Pension Scheme ("LGPS")

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £259,000, of which employer's contributions totalled £205,000 and employees' contributions totalled £54,000. The anticipated contribution rates for future years are 19.5% (2013: 23%) for employers and an average of 6.5% (2013: 5.7%) 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.



Notes to the Financial Statements (Continued)

22. PENSION SCHEME (continued)

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	4.0%	4.6%
Rate of increase of pensions in payment / inflation	2.7%	2.8%
Discount rate for scheme liabilities	3.7%	4.6%
Expected return on assets	5.5%	5.9%

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

	At 31 August 2014	At 31 August 2013
Retiring today – males	22.5 years	21.7 years
Retiring today – females	24.6 years	23.6 years
Retiring in 20 years – males	24.4 years	23.5 years
Retiring in 20 years – females	27.0 years	25.8 years

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

	Expected rate of return at 31 August 2014	Plan assets at 31 August 2014 £000	Expected rate of return at 31 August 2013	Plan assets at 31 August 2013 £000
Equities	6.3%	892	6.6%	711
Government bonds	3.2%	260	3.8%	197
Property	4.5%	74	4.7%	59
Cash	3.3%	12	3.6%	20
Total market value of assets		1,238		987
Present value of scheme liabilities		(2,996)		(2,101)
Deficit in scheme		(1,758)		(1,114)

To develop the expected long term rate of return on assets assumption, the employer considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for the future returns of each asset class. The expected return for each asset class was then weighted based on the asset allocation to develop the expected long term rate of return on assets assumption for the portfolio. This resulted in the selection of the above assumptions.

The actual return on the scheme assets was £152,000 (2013: £113,000).



Notes to the Financial Statements (Continued)

22. PENSION SCHEME (continued)

The amounts included within the Statement of Financial Activities are as follows:

	2014 £000	2013 £000
Current service cost	211	175
Interest cost	102	76
Expected return on plan assets	(64)	(36)
Employer contributions	(205)	(181)
Total pension cost charged within net (outgoing)/incoming resources	44	34
Actuarial losses/(gains)	600	(28)
Total amount charged to SOFA	644	6

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £628,000 loss (2013: £28,000 loss).

Analysis of pension finance costs:

	2014 £000	2013 £000
Expected return on pension scheme assets	64	36
Interest on pension scheme liabilities	(102)	(76)
	(38)	(40)

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

	2014 £000	2013 £000
At 1 September 2013	2,101	1,753
Current service cost	211	175
Interest cost	102	76
Member contributions	54	48
Actuarial losses on liabilities	571	49
Benefits paid	(43)	-
At 31 August 2014	2,996	2,101

Movements in the fair value of the scheme assets were as follows:

	2014 £000	2013 £000
At 1 September 2013	987	645
Expected return on scheme assets	64	36
Actuarial (losses)/ gains	(29)	77
Employer contributions	205	181
Member contributions	54	48
Benefits paid	(43)	-
At 31 August 2014	1,238	987

The estimated value of employer contributions for the year ending 31 August 2015 is £251,000.



Notes to the Financial Statements for the year ended 31 August 2014 (Continued)

22. PENSION SCHEME (continued)

Reconciliation of pension costs less employer contributions payable:

	2014 £000	2013 £000
Current service cost	211	175
Less: Employer contributions	205	181
	<u>6</u>	<u>(6)</u>

The five-year history of experience adjustments is as follows:

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Present value of defined benefit obligations	(2,996)	(2,101)	(1,753)	(1,294)	-
Fair value of share of scheme assets	1,238	987	645	403	-
Deficit in scheme	<u>(1,758)</u>	<u>(1,114)</u>	<u>(1,108)</u>	<u>(891)</u>	-
Experience adjustments on share of scheme assets	29	77	24	2	-
Experience adjustments on scheme liabilities	(70)	-	-	-	-

23. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net (outgoing)/ incoming resources	(156,369)	156,774
Depreciation (note 13)	293,979	284,503
Bank interest (note 5)	(5,438)	(11,922)
Capital grants	(53,140)	(186,099)
FRS 17 pension cost less contributions payable (note 22)	6,000	(6,000)
FRS 17 pension finance cost (note 22)	38,000	40,000
Decrease in stocks	2,324	5,733
(Increase)/ decrease in debtors	(30,318)	267,378
(Decrease)/ increase in creditors	(137,554)	12,294
Net cash (outflow)/ inflow from operating activities	<u>(42,516)</u>	<u>562,661</u>

24. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014 £	2013 £
Interest received	5,438	11,922
Net cash inflow on investments and servicing of finance	<u>5,438</u>	<u>11,922</u>



Notes to the Financial Statements for the year ended 31 August 2014 (Continued)

25. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2014 £	2013 £
Purchase of tangible fixed assets	(548,722)	(410,630)
Capital grants	53,140	186,099
Net cash outflow from capital expenditure and financial investments	(495,582)	(224,531)

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2013 £	Cashflows £	At 31 August 2014 £
Cash at bank and in hand	1,860,272	(532,660)	1,327,612

27. MEMBERS' LIABILITIES

Every member of the Charitable Company undertakes such amount as may be required (such amount not exceeding £10) to the assets of the Company in the event of it being wound up while he or she is a member or within one period after he or she ceases to be a member, for the payment of the Trusts 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 adjustment of the rights of contributions amongst themselves.

28. RELATED PARTY TRANSACTIONS

The Principal and other staff Trustees only receive remuneration in respect of services undertaking the roles of Principal and staff and not in respect of their services as Trustees. Please refer to note 11 for further details.

No other related party transactions took place during the year ended 31 August 2014.