

Company Registration No. 07447459 (England and Wales)

**CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**



CHURSTON FERRERS GRAMMAR SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

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**CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REFERENCE AND ADMINISTRATIVE INFORMATION**

Trustees

Mrs A Tully (chairman) #
Mr B Attwood #
Ms J Bailey #
Mrs M Butler
Dr M Cash #
Mrs L Edey #
Mrs A Ellard
Mr B Forte #
Mrs S French
Mrs S Guertin-Bryan (resigned 17 September 2013)
Ms R Jay
Mr R Owers (principle) #
Mrs E Procter
Miss L Rose (appointed 3 December 2013)
Mrs J Somerfield
Mr A Stark #
Miss E Stokely

denotes member of the finance & premises committee

Secretary

Ms V Wolf

Senior Management Team

Headteacher	Mr R Owers
Deputy headteacher	Mrs S Gunn-Johnson
Director of Humanities College	Mr D Lewis
Head of Sixth Form	Mr K Shephard
Director of finance and administration	Mrs S Foot

Company number

07447459

Registered office

Greenway Road
Churston Ferrers
Brixham
Devon
TQ5 0LN

**CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REFERENCE AND ADMINISTRATIVE INFORMATION**

Auditors

Darnells Chartered Accountants
Quay House
Quay Road
Newton Abbot
Devon
TQ12 2BU

Bankers

Barclays Bank plc
28 Fore Street
Brixham
TQ5 8EA

Actuary

Barnett Waddington
163 West George Street
Glasgow
Lanarkshire
G2 2JJ

CHURSTON FERRERS GRAMMAR SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their report and financial statements for the year ended 31 August 2014. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the academy's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 (updated 2008), and the Education Funding Agency "Accounts Direction" issued in May 2014. The trust operates an academy for pupils aged 11 to 18 serving a catchment area of South Devon. It has a pupil capacity of 926 and a roll of 966 in the school census on 31 August 2014.

Structure, governance and management

Summary

The Board of Trustees consists of seven Parents, three staff, one Head teacher and six Community Officers. During the period covered by this report not all the Community Governor posts have been filled. At the year end there was two vacancies for Community Governors which the Board were actively seeking to fill. Elected Parent and Staff Governors serve a four year term.

The Governing Body is split into three sub committees being Finance and Premises, Curriculum and Personnel. Each sub committee maintains a mixture of Parent, Staff and Community Governors. A committee meeting may not proceed without a minimum of three Governors present.

Constitution

The academy is a charitable company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07447459.

All the governors act as trustees for the charitable activities of academy and are also directors of the charitable company for the purposes of company law. The charitable company is known as Churston Ferrers Grammar School and also the acronym CFGS.

Details of the trustees, who are also directors, who served during the year are included in the Reference and Administrative Details page.

Members Liability

The liability of the members of the Academy Trust is limited.

Each member of the Charitable Company undertake to contribute to the assessors 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 members.

If the Academy Trust is wound up or dissolved and after all its debts and liabilities (including any under section 483 of the Education Act 1996) have been satisfied there remains any property it shall not be paid to distributed among the members of the Academy Trust, but shall be given or transferred to some other charity or charities having objects similar to the Objects which prohibits the distribution of income and property to an extent at least as great as is imposed on the Academy Trust by Article 6 above, chosen by the members of the Academy Trust at or before the time of dissolution and if that cannot be done to some other charitable object.

Trustees' indemnities

The Academy through its Articles has indemnified its Governors to the fullest extent permissible by law. During the year the Academy also purchased and maintained liability insurance for its Governors.

**CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

Principle activities

Churston Ferrers Grammar School will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community. There will be assessments of students' performance as they apply to maintained schools and the opportunity to study for external qualifications.

Churston Ferrers Grammar School shall ensure that a broad and balanced curriculum is taught that includes English, Mathematics and Science.

Churston Ferrers Grammar School is a selective school and the admissions policy and arrangements are conducted in accordance with admissions law, and the DfE Codes of Practice, as they apply to maintained schools.

Method of recruitment and appointment or election of Trustees

Many of the Governing Body of the Predecessor school (the grant maintained Churston Ferrers Grammar School) were appointed as Governors during the course of January 2011. It is intended that they serve their remaining terms of office as if they were still in the Governing body of the Predecessor school. Parent Governors who were elected governors of the Predecessor School were deemed to be elected for the purposes of these articles.

The Governing Body shall make all necessary arrangements for the election of a Parent Governor including any question of whether a person is a parent of a registered student at Churston Ferrers Grammar School. Any election of Parent Governors which is contested shall be held by secret ballot.

The members may appoint Staff Governors through a process as they may determine, provided that the total number of governors (including the Head teacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

The posts of Community Governors are filled by persons from the wider community. Recruitment takes place by an expression of interest being made by a prospective governor to the Governing Body. Employees of the local authority are not eligible to sit on the Governing Body. During the last academic year one new Community Governor has been appointed.

Policies and procedures adopted for the induction and training of Governors

There is a Governors Induction Policy which has been ratified by the Governing Body to ensure that new Governors are provided with suitable support, information and training opportunities to fulfil their role.

Organisational structure

The Full Governing Body meets on at least four occasions during the normal year and on one additional occasion with the Staff Senior Leadership Team. The purpose of this additional meeting is to review strategic priorities and progress and to set objectives for the future development of Churston Ferrers Grammar School. It also makes decisions relating to the schools position and relationship within the wider community and reviews academic progress. The annual budget is presented and authorised by the Full Governing Body. The Full Governing Body reviews the Headteacher's reports and minutes from the three sub committees. Ratification of most policies are delegated to sub-committees to which they apply.

**CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

The Finance and Premises Committee meet on three occasions throughout the year, its principle functions are:

- In consultation with the Headteacher, to draft the first formal budget plan for the financial year
- To establish and maintain up to date 3 year Financial Plan
- To consider a budget statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body
- To ensure that the school operates within the Financial Regulations of the Unitary Authority
- To monitor expenditure of all voluntary funds kept on behalf of the Governing Body
- To annually review charges and remissions policies and expenses policies
- To make decisions in respect of service agreements
- To make decisions on expenditure following recommendations from other committees
- To prepare financial statements for inclusion in the Governing Body report to parents
- To ensure, as far as practical, that Health & Safety funding issues are appropriately prioritised
- To determine whether sufficient funds are available for pay increments as recommended by the Headteacher
- In light of the First Committee's recommendations, to determine whether sufficient funds are available for increments
- To advise the Governing Body on priorities, including Health & Safety for the maintenance and development of school premises
- To oversee arrangements for repairs and maintenance
- To make recommendations on premises-related expenditure
- In consultation with the Headteacher to oversee premises-related funding bids
- To oversee arrangements including Health & Safety for the use of school premises by outside users, subject to Governing Body policy
- To establish and keep under review a Building Development Plan
- To establish and keep under review an Accessibility Plan
- Any other additional items that may be appropriate
- To ratify, review and amend policies delegated to this committee.

The Responsible Officer produces a quarterly report to the Chair of the Finance and Premises Committee. The areas reviewed for this report may include:

- checks that bank reconciliations have been carried out each month
- a review of monthly payroll
- a check of a sample of orders to delivery notes and invoices
- a check of a sample of payments back to invoices, orders and delivery notes
- a review of sample expense claims to ensure that there is appropriate documentation to support the claim and that it is appropriately authorised
- spot checks on petty cash balances and supporting vouchers
- a review of returns to the DfE
- a review of major contracts and ensure formal tendering procedures exist and are being adhered to

The Personnel Committee meet on three occasions throughout the year, its principle functions are:

- To keep the school's staffing structure under review and to recommend to the Governing Body the annual budget for pay
- To draft personnel policies (or adapt LA models), including those relating to the recruitment and selection of staff, performance management, pay, equal opportunities, discipline, grievance, dismissal and redundancy and present them to the full Governing Body for consideration and adoption
- To monitor the implementation of personnel policies and evaluate their effectiveness
- To ensure that statutory requirements relating to personnel matters are met, including workforce re-modelling
- To act as the Governing Body Complaints Committee and to consider any complaints made against the Headteacher
- To agree the annual review of pay and to receive and agree the review of the annual Performance Management Cycle.
- To ratify, review and amend policies delegated to this committee.

**CHURSTON FERRERS GRAMMAR SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

The Curriculum Committee meets on three occasions throughout the year, its principle function are:

- To consider and advise the Governing Body on standards and other matters relating to the school's curriculum, including statutory accounts requirements and the school's Curriculum Policy
- To consider curricular issues which have implications for Finance and Personnel decisions and to make recommendations to the relevant committees or the Governing Body
- To oversee arrangements for individual governors involvement in specific areas of provision and report to the Governing Body
- To oversee arrangements for educational visits
- To review and update Curriculum Policies on an annual basis or as the need arises.

Connected organisations, including related parties

Churston Ferrers Grammar school is a member of the South West Academic Trust (SWAT). This is a formalised collaboration between 7 schools and Exeter University which aims to bring together partners who share a common interest in the development of educational provision and opportunity for able students in a way which will also promote the aspiration and standards achieved by all students in partner school and other schools in the community. Participation in this Trust will allow the Academy Trust to build on existing relationships, formalise joint working that already takes place with partners, and join with those partners in having a stronger, more unified voice. This does not expose the Academy Trust to any additional financial risk.

The SWAT will enable the following additional and enhanced activity for the benefit of students, staff and the community as a whole, activity which the Academy Trust could not provide to the same extent by itself.

- Working together to promote and support aspiration in the community by making available the expertise of the SWAT through existing local partnerships, specifically through workshops and master class provision for able and very able students within the framework of the specialist school community programme
- Promoting teacher research opportunities through partnership with Further and Higher Education Institutions, initially Exeter University.
- Providing opportunities for educational research into the most effective means to promote effective teaching and learning to meet the needs of able and very able students
- Sharing in curriculum development to improve and extend the provision available to able and very able students and to improve their transition from school to higher education
- Supporting the network of best practice and the outcomes of research through other existing partnerships and work with our local authorities
- Providing opportunities to support the professional development of staff through shared activities and opportunities as a consequence of collaboration

Further benefits of the SWAT for the Academy Trust include:

- Building on the autonomy and expertise gained as a Foundation School
- Energy and experience that will support the schools leadership and direction
- Working in partnership to raise its overall standards and improve the overall quality of its provision through the development of its practice.

Churston Ferrers Grammar School remains involved in the Comenius Project which is part of the European Lifelong Learning Programme. The project enables the school to take part in partnerships within the EU to increase student's awareness of the world and to assist in increasing their self confidence and enthusiasm for learning. The current Comenius Project phase has enabled students to establish links with schools in Hungary, Italy and Norway.

Churston Ferrers Grammar School continues to contribute to Devon Wildlife Trust to fund a Wildlife Trust Education officer. This is a charitable organisation that is committed to helping young people learn about their natural environment and believes that integrated learning both inside and outside the classroom can help students to assume responsibility for creating and enjoying a sustainable future.

CHURSTON FERRERS GRAMMAR SCHOOL

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Churston Ferrers Grammar School has built a relationship with a school in Cusco, Peru which has enabled students and staff to learn more about life in South America. This has been facilitated through GlobalEd. In addition to the educational value of this relationship it also aims to promote initiatives towards a more sustainable planet.

Risk Management

Churston Ferrers Grammar School maintains and operates an effective system of internal control to safeguard all the resources delegated, granted or otherwise entrusted to the school and ensure they are used cost effectively. The system of internal control has been developed and is coordinated by the Headteacher. It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly. The Financial Director is responsible for the daily management of finances.

By the segregation of duties within the finance department the risk of financial errors or inappropriate conduct is minimised. Orders are placed by budget holders using the web based order system except where credit card transactions are required or items are purchased under the petty cash policy. These are counter signed at the following levels as appropriate:

- < £1,000 - Finance Director
- > £1,000 < £10,000 - Headteacher
- > £10,000 - Chair of the Finance and Premises Committee

The financial regulation of the school is subject to quarterly inspections by the Responsible Officer and by annual audit by Darnells Chartered Accountants.

Objectives and activities

Learning to create a better world.

To inspire and challenge all our learners so that they acquire the confidence, skills and qualifications needed to achieve their personal aspirations.

- To encourage the quest for excellence in academic, sporting and cultural fields
- To promote self-esteem within a caring community
- To bring together diverse local, national and international communities in the pursuit of sustainable learning

Churston Ferrers Grammar School aims to prepare students to lead fulfilled, responsible and happy adult lives by delivering an excellent academic education that encourage learners to be confident and flexible. Through their learning the school hopes that our students 'create a better world'.

The Academy Trust encourages staff to deliver 'outstanding' lessons to enable students to conduct independent learning and adopt collaborative approaches to academic work while working with support staff to provide a high level of pastoral support.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the academy should undertake.

Objectives, strategies and activities

Churston Ferrers Grammar School maintains an annual school plan in addition to a 5 year development plan. These plans address the long term strategic aims of the Academy Trust not only at a Governor level but at a Departmental level ensuring a cohesive approach to school development. This is the third year of the current five year School Development Plan which has been endorsed by the Staff and Governors. The School Development Plan takes into consideration Ofsted recommendations and has the following objectives:

**CHURSTON FERRERS GRAMMAR SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

To develop students as more effective learners

- A compulsory core curriculum in Years 7 and 8
- A personalised curriculum from Years 9 to 13
- Personal mentoring for all students
- To raise the profile of achievement

To improve the quality of teaching and learning

- Maintaining and attracting high calibre staff

To develop the school site so that it enables students to achieve their full potential

- Regeneration of the space created by the Sixth Form moving into their new building
- Best value review of school site to inform future development
- More effective use of office space

To Develop greater coherence, clarity and effectiveness in school systems

- Ensuring effective communication between all stakeholders

To develop the school's capacity to manage change

- To increase the flexibility of the school day
- Maintaining the ratio between staff cost and budget

To retain and attract students at Post 16

Public Benefit

The Governors have complied with their duty to have due regards to the guidance on public benefit published by the Charity Commission. Churston Ferrers Grammar School has provided advancement of education as well as the advancement of citizenship and community development. The school embraces the wider community by making available facilities for the advancement of amateur sport and other events such as IT Classes. In its contribution to the Devon Wildlife Trust and involvement with GlobalEd the school is working toward the advancement of environmental protect and improvement.

Achievements and performance

Churston Ferrers Grammar School was rated outstanding in its most recent Ofsted inspection. Examination outcomes at GCSE and A Level are very high. All academic performance indicators support the view that student achievement is very high.

At A Level 66% of students achieved an A* - B grade. This is an decrease of 6% on the previous year. The average points scored is 229 points per entry with a vast majority of students achieving their university places including Oxbridge and Ivy League.

At GCSE 56% of students gained A* - A across all subjects. The total average points was 403.

The personal development of students is also excellent. There are a full range of enrichment opportunities available to students and up-take is high. Finally the school's relationship with the wider community is very strong. There are established links with local schools and businesses and the school has strong links with schools in several continents.

Churston Ferrers Grammar School is part of the South West Academic Trust (SWAT) which is a collection of high-performing schools in the South West. Benefits of this alliance include staff development, sharing good practice and opportunities for pupils to take part in join-school educational programmes.

**CHURSTON FERRERS GRAMMAR SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

Strategic Report

Financial review

The Academy Trust is funded principally by the Education Funding Agency (EFA) through the General Annual Grant (GAG). Funding levels are agreed in advance of the financial year with payment made by monthly instalments. Other income is generated through the supply of catering, the hiring of the academy facilities and fundraising.

It is the policy of the academy that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the academy's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Principle risk and uncertainties

Churston Ferrers Grammar School is vulnerable to a significant cut to the General Annual Grant. In anticipation of further cuts to this grant, planning has taken place to ensure that the quality of education provided to the students is not duly affected.

Staff at the Academy are currently contributors to the Local Government Pension Scheme (LGPS). At this time the school does not have to contribute to any shortfall in this scheme but recognises that this may be a risk in future years.

Reserves policy

It is the policy of the Academy Trust that unrestricted funds which have not been designated for a specific use should be maintained. At the year end a balance of £45,610 (2013 - £28,000) of unrestricted funds will be carried forward into the next financial year. These funds are retained with the intention of financing the continuing development of the school site as described in the Plans for Future Periods.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that Churston Ferrers Grammar School 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 notes to the financial statements.

Investment policy

Restricted and Unrestricted funds carried over at year end were retained by Barclays Bank plc. in the academy's account for allocation as appropriate. The school has no shares or investments in any other business.

Plans for the future

During the year the Academy was successful in obtaining funding to refurbish the old sixth form block and the process of building a new building to extend the existing student services and provide additional classrooms started during year. This is expected to be completed by January 2015.

Further funding options are being investigated for additional classroom space to be created and also to make best use out of the existing facilities.

Funds held as Custodian Trustee on behalf of other

Churston Ferrers Grammar School and its Governors do not act as the custodian trustees of any other charity. This is with the exception of Mrs Somerfield a Parent Governor who is a trustee of the Churston Ferrers Grammar School Parent Teacher Association, Registered Charity number 270428.

**CHURSTON FERRERS GRAMMAR SCHOOL
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

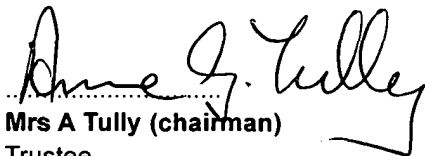
Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Darnells Chartered Accountants be reappointed as auditors of the company will be put to the members.

On behalf of the board of trustees



Mrs A Tully (chairman)

Trustee

Dated: 17.12.14

CHURSTON FERRERS GRAMMAR SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the, 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 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 included here supplements that described in the trustees Report and in the Statement of Trustees' responsibilities. The governing body has formally met 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Trustee	Meetings Attended	Out of a possible
Mrs A Tully (chairman)	5	5
Mr B Attwood	4	5
Ms J Bailey	5	5
Mrs M Butler	4	5
Dr M Cash	2	5
Mrs L Edey	5	5
Mrs A Ellard	5	5
Mr B Forte	5	5
Mrs S French	2	5
Mrs S Guertin-Bryan (resigned 17 September 2013)	1	1
Ms R Jay	5	5
Mr R Owers (principle)	5	5
Mrs E Procter	5	5
Miss L Rose (appointed 3 December 2013)	3	3
Mrs J Somerfield	5	5
Mr A Stark	4	5
Miss E Stokely	2	5

The Board of Trustees met for their annual review / development day on Saturday 18th January 2014. The major outcomes of the meeting included:

1. A decision to re-structure pastoral support based on the principle of gold standard at 'silver' cost
2. A decision to move to 1:1 technology for GCSE students

Finance Committee

The finance committee is a sub-committee of the main governing body. Its purpose is to review the finances of the Academy and review the internal controls in place. This committee also acts as an audit committee its purpose is to address issues arising from audits both internal and external and provide a point of contacts should any audit query arise. Attendance at meetings in the year was as follows:

**CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

Trustee	Meetings Attended	Out of a possible
Mr B Attwood	2	3
Mrs L Edey	3	3
Mr B Forte	3	3
Mr R Owers	3	3
Mr A Stark	3	3
Mrs A Tulley	3	3
Ms J Bailey	2	3
Dr M Cash	2	3

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than 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 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 Churston Ferrers Grammar School for the year ended 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 formal on-going process for identifying, evaluating and managing the academy trusts significant risk that has been in place for the year ended 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 of systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes 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 investments) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Mr C Uzzell, as responsible officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, Mr C Uzzell the RO reports to the board of trustees, through the finance and audit committee on the operation of the systems and controls and on the discharge of the board of trustees' financial responsibilities.

**CHURSTON FERRERS GRAMMAR SCHOOL
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GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014**

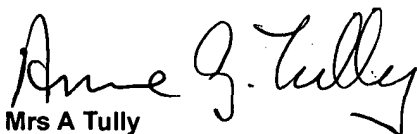
Review of Effectiveness

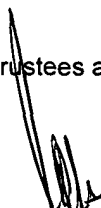
As accounting officer the principle has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the results for their review of the system of internal control by the finance and audit committee and a plan to address weaknesses and ensure continuous improvement of their system is in place.

Approved by order of the members of the board of trustees and signed on its behalf by:


Mrs A Tully
Trustee


Mr R Owers
Accounting Officer

Dated: 17.12.14

**CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014**

As accounting officer of Churston Ferrers Grammar School 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 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 the funds of 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 R Owers
Accounting Officer

Dated:17.12.14

CHURSTON FERRERS GRAMMAR SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as governors of Churston Ferrers Grammar School 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 published 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 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; 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.

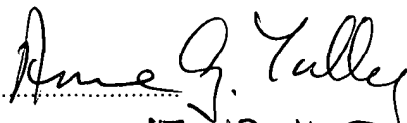
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been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

Mrs A Tully
Trustee

Dated: _____


17.12.14

CHURSTON FERRERS GRAMMAR SCHOOL (A COMPANY LIMITED BY GUARANTEE) INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHURSTON FERRERS GRAMMAR SCHOOL

We have audited the accounts of Churston Ferrers Grammar School for the year ended 31 August 2014 set out on pages 20 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of Churston Ferrers Grammar School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

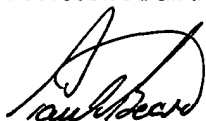
In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF CHURSTON FERRERS GRAMMAR SCHOOL**

Matters on which we are required to report by exception

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

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



Mr Paul Beard (Senior Statutory Auditor)

for and on behalf of

Darnells Chartered Accountants

Statutory Auditor

Quay House

Quay Road

Newton Abbot

Devon

TQ12 2BU

Dated: *19th December 2014*

**CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT ON REGULARITY**

**TO THE MEMBERS OF CHURSTON FERRERS GRAMMAR SCHOOL AND THE
EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the 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 year ended 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 academy trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the academy trust and the EFA those matters we are required to state to it 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 academy trust and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the academy trust's funding agreement with the Secretary of State dated 1 January 2011 (and the deed of variation dated 20 December 2012) 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 audit work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2014 have not been applied to the 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 our conclusion includes:

- Inspection and review of grant documents and expenditure to ensure they are used for the correct purpose;
- Review and enquiry of Trustee meetings and those of the Finance committee;
- Reperformance and review of significant accounting estimates used;
- Evaluation of the system of internal controls for authorisation and approval.

**CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT ON REGULARITY (CONTINUED)
TO THE MEMBERS OF CHURSTON FERRERS GRAMMAR SCHOOL AND THE
EDUCATION FUNDING AGENCY**

Conclusion

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



Mr Paul Beard (Senior Statutory Auditor)

for and on behalf of

Darnells Chartered Accountants

Statutory Auditor

Quay Road

Newton Abbot

Devon

TQ12 2BU

Dated : *19th December 2014*

CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2014

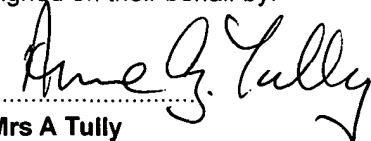
	Notes	Unrestricted Funds £	Restricted Fixed Asset Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
<u>Incoming resources from generated funds</u>						
Donations and legacies	2	15,354	-	-	15,354	33,000
Activities for generating funds		168,806	-	42,905	211,711	234,000
		184,160	-	42,905	227,065	267,000
Incoming resources from charitable activities	3	-	-	5,198,210	5,198,210	4,809,000
Total incoming resources		184,160	-	5,241,115	5,425,275	5,076,000
<u>Resources expended</u>						
Costs of generating funds						
Fundraising trading: costs of goods sold	4	166,550	-	-	166,550	165,000
Charitable activities						
Academy's educational operations		-	275,322	4,695,879	4,971,201	4,836,000
Governance costs		-	-	9,325	9,325	24,000
Total resources expended		166,550	275,322	4,705,204	5,147,076	5,025,000
Net incoming/(outgoing) resources before transfers		17,610	(275,322)	535,911	278,199	51,000
Gross transfers between funds		-	354,546	(354,546)	-	-
Net income for the year/ Net incoming resources		17,610	79,224	181,365	278,199	51,000
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension schemes		-	-	521,000	521,000	(42,000)
Net movement in funds		17,610	79,224	702,365	799,199	9,000
Fund balances at 1 September 2013		28,000	11,637,787	(1,384,040)	10,281,747	10,272,000
Fund balances at 31 August 2014		45,610	11,717,011	(681,675)	11,080,946	10,281,000

All of the academy's activities derive from continuing operations during the above two financial periods.
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the
Statement of Financial Activities.

CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 AUGUST 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	11		11,717,011		11,637,000
Current assets					
Stocks		2,205		2,000	
Debtors	12	236,569		45,000	
Cash at bank and in hand		813,760		456,000	
		<u>1,052,534</u>		<u>503,000</u>	
Creditors: amounts falling due within one year	13	<u>(479,599)</u>		<u>(248,000)</u>	
Net current assets			<u>572,935</u>		<u>255,000</u>
Total assets less current liabilities			<u>12,289,946</u>		<u>11,892,000</u>
Pension scheme liability	14		<u>(1,209,000)</u>		<u>(1,611,000)</u>
Net assets			<u><u>11,080,946</u></u>		<u><u>10,281,000</u></u>
Funds of the academy trust:					
Restricted funds					
Restricted funds	15	527,325		214,000	
Restricted fixed assets	16	11,717,011		11,650,000	
Pension reserve		<u>(1,209,000)</u>		<u>(1,611,000)</u>	
			<u>11,035,336</u>		<u>10,253,000</u>
Unrestricted funds					
General fund			<u>45,610</u>		<u>28,000</u>
			<u><u>11,080,946</u></u>		<u><u>10,281,000</u></u>

The financial statements were approved by the trustees, and authorised for issue on 2.12.14 and are signed on their behalf by:


Mrs A Tully
 Trustee

Company Registration No. 07447459

CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	18	712,303	360,000
Capital expenditure			
Payments to acquire tangible fixed assets		<u>(354,543)</u>	<u>(154,000)</u>
Net cash (outflow)/inflow from capital expenditure		(354,543)	(154,000)
Increase in cash	19	<u>357,760</u>	<u>206,000</u>

**CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

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

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, the Companies Act 2006 and the Academies: Accounts Direction 2013 to 2014 issued by the EFA.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

1.2 Incoming resources

Grants Receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received from 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 which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship Income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Donations

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

Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of service. Income received in respect of school trips is recognised when the event takes place and the income is deferred until that time and is included in creditors.

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

1.3 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings that have been allocated on a basis consistent with the use of resources, with central staff costs allocated on a 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.

Cost of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

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

Tangible fixed assets

Tangible fixed assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Value Added Tax

All resources expended are inclusive of irrecoverable VAT.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	50 years straight line
Plant and machinery	33% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% straight line

A review for impairment of fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

1.5 Pensions

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

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

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in Other Gains and Losses.

1.6 Fund accounting

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

Restricted fixed asset fund and 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 with restrictions imposed by the funder / donor and include grants from the Education Funding Agency.

2 Donations and legacies

	2014 £	2013 £
Donations and gifts	15,354	33,000
	<u> </u>	<u> </u>
Donations and gifts		
Unrestricted funds	15,354	29,000
Restricted funds	-	4,000
	<u> </u>	<u> </u>
	15,354	33,000
	<u> </u>	<u> </u>

CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

3 Incoming resources from charitable activities

	2014 £	2013 £
Academy's educational operations	5,198,210	4,809,000
Included within income relating to Academy's educational operations are the following grants		
General Annual Grant (GAG)	4,660,361	4,662,000
Capital Grants from DfE/EFA	-	20,000
Other DfE/EFA Grants	373,535	-
	5,033,896	4,682,000

4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2014 £	Total 2013 £
Costs of generating funds					
Fundraising trading: costs of goods sold	82,585	-	83,965	166,550	165,000
Total	82,585	-	83,965	166,550	165,000
Charitable activities					
<u>Academy's educational operations</u>					
Activities undertaken directly	3,202,897	275,322	283,162	3,761,381	3,541,000
Support costs	559,961	-	649,859	1,209,820	1,295,000
Total	3,762,858	275,322	933,021	4,971,201	4,836,000
Governance costs	-	-	9,325	9,325	24,000
	3,845,443	275,322	1,026,311	5,147,076	5,025,000

Governance costs includes payments to the auditors of £4,000 (2013 - previous auditor £6,000) for audit fees. Fees paid in the year for other services from the current auditor were £2,000, and the previous auditor for £3,325 (2013 - previous auditor £5,000).

CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

5 Activities undertaken directly

	2014	2013
	£	£
Other costs relating to Academy's educational operations comprise:		
Unrestricted Educational supplies	-	3,000
Restricted Educational supplies	161,196	156,000
Examination Fees	97,020	107,000
Staff Development	11,419	23,000
Educational Consultancy	4,710	-
Other direct costs	8,817	-
	<u>283,162</u>	<u>289,000</u>

6 Support costs

	2014	2013
	£	£
Recruitment & support	6,660	10,000
Maintenance of Premises & Equipment	103,448	185,000
Cleaning	11,458	14,000
Rent & Rates	54,812	58,000
Energy Costs	72,711	73,000
Insurance	34,726	26,000
Security & Transport	13,578	6,000
Computer Expenses	32,159	36,000
Other Support Costs	86,873	113,000
Trip Expenses	171,434	133,000
Expected return on scheme assets	(73,000)	(52,000)
Interest on defined benefit	135,000	97,000
Restricted fixed asset fund costs	-	12,000
Repairs & maintenance	-	10,000
Other educational projects	-	7,000
	<u>649,859</u>	<u>728,000</u>

7 Governance costs

	2014	2013
	£	£
Other governance costs comprise:		
Audit (unrestricted funds)	-	3,000
Audit and accountancy fees	9,325	8,000
Staff Support Costs	-	13,000
	<u>9,325</u>	<u>24,000</u>

CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

8 Trustees

The Headteacher and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

R J Owers	£95,000 - £100,000	(2013 - £95,000 - £100,000)
M Butler	£10,000 - £15,000	(2013 - £10,000 - £15,000)
S L Edey	£25,000 - £30,000	(2013 - £25,000 - £30,000)
B Forte	£40,000 - £45,000	(2013 - £30,000 - £35,000)
S A French	£5,000 - £10,000	(2013 - £5,000 - £10,000)
E J Stokely	£0 - £5,000	(2013 - Not a trustee)

None of the trustees (or any persons connected with them) received any remuneration during the year in their capacity as academy trustees. During the year ended 31 August 2014, travel and expenses totalling £Nil (2013 - £68) were reimbursed to 0 trustees (2013 - 1).

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The provision provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £2,333 (2013 - £2,000).

The cost of this insurance is included in the total insurance cost.

CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2014	2013
	Number	Number
Teachers	54	54
Administration and support	46	36
Management	7	7
	107	97

Employment costs

	2014	2013
	£	£
Wages and salaries	3,141,129	3,022,000
Social security costs	217,507	217,000
Other pension costs	486,807	467,000
	3,845,443	3,706,000

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

	2014	2013
	Number	Number
£60,001 - £70,000	3	2
£70,001 - £80,000	1	1
£90,001 - £100,000	1	-

Four (2013 - Three) of the above employees participated in the Teachers' Pension Scheme and one (2013 - none) participated in the Local Government Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £45,671 (2013 - £29,000).

10 Taxation

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

CHURSTON FERRERS GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2014

11 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2013	11,965,503	62,897	145,109	30,200	12,203,709
Additions	252,299	70,508	31,736	-	354,543
At 31 August 2014	12,217,802	133,405	176,845	30,200	12,558,252
Depreciation					
At 1 September 2013	483,539	32,353	39,587	10,440	565,919
Charge for the year	194,308	39,599	35,374	6,041	275,322
At 31 August 2014	677,847	71,952	74,961	16,481	841,241
Net book value					
At 31 August 2014	11,539,955	61,453	101,884	13,719	11,717,011
At 31 August 2013	11,483,000	30,000	105,000	19,000	11,637,000

The trust's transactions relating to the land and buildings included the acquisition of the freehold property with which the academy trust operates and was donated to the trust at a value of £10,802,380.

12 Debtors

	2014 £	2013 £
Trade debtors	3,969	3,000
VAT recoverable and other debtors	209,398	27,000
Prepayments and accrued income	23,202	15,000
	236,569	45,000

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FOR THE YEAR ENDED 31 AUGUST 2014

13 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	165,015	143,000
Other creditors	135	-
Accruals and deferred income	138,321	31,000
Deferred income	176,128	74,000
	479,599	248,000

14 Pension and other post-retirement benefit commitments
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 (Valuation 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.

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14 Pension and other post-retirement benefit commitments

(Continued)

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy 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.

Principle actuarial assumptions

	As at 31 August 2014	As at 31 August 2013
Rate of increase in salaries	4.40%	5.10%
Rate of increase for pension in payment / inflation	2.60%	2.90%
Discount rate for scheme liabilities	3.90%	4.70%
CPI Increases	2.60%	2.90%
RPI Increases	3.40%	3.70%

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

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14 Pension and other post-retirement benefit commitments

(Continued)

			As at 31 August 2014	As at 31 August 2013
<i>Retiring today</i>				
Males			22.70	20.60
Females			26.00	24.60
<i>Retiring in 20 years</i>				
Males			24.90	22.60
Females			28.30	26.50
	Expected Return at 31 August 2014	Fair Value at 31 August 2014 £ '000	Expected Return at 31 August 2013	Fair Value at 31 August 2013 £ '000
Gilts	3.00%	75	3.50%	152
UK equities	6.70%	341	7.00%	704
Overseas equities	6.70%	448	n/a	-
Property	5.90%	129	6.00%	106
Infrastructure	3.60%	37	n/a	-
Target return portfolio	5.90%	192	5.00%	176
Cash	2.90%	27	0.50%	35
Other bonds	3.60%	54	n/a	-
Alternative assets	5.90%	24	n/a	-
		<u>1,327</u>		<u>1,173</u>
Present value of funded obligation		(2,536)		2,784
Surplus / (Deficit) in the scheme		<u>(1,209)</u>		<u>(1,611)</u>

The actual return on scheme assets was £116,000 (2013 - £134,000).

Amounts recognised in the statement of financial activities

	2014 £ '000	2013 £ '000
Current service cost	(159)	(153)
Employer Contributions	102	103
Unfunded pension payments	-	-
Past service cost	-	-
Other finance income	(62)	(45)
Settlements and curtailments	-	-
Actuarial gains / (losses)	521	(42)
	<u>402</u>	<u>(137)</u>

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14 Pension and other post-retirement benefit commitments

(Continued)

	2014	2013
	£ '000	£ '000
Current service cost	(159)	(153)
Interest on obligation	(135)	(97)
Expected return on Fund asset	73	52
Past service cost	-	-
Curtailments and settlement	-	-
	<u>(221)</u>	<u>(198)</u>

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

	2014	2013
	£ '000	£ '000
Opening Defined Benefit Obligation	2,784	2,426
Current service cost	159	153
Interest cost	135	97
Employee contributions	41	42
Actuarial (gains) / losses	(541)	124
Benefits paid	(42)	(58)
Past service costs	-	-
Curtailments and settlements	-	-
	<u>2,536</u>	<u>2,784</u>

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

	2014	2013
	£ '000	£ '000
Opening fair value of Scheme Assets	1,173	952
Expected return on assets	73	52
Actuarial gain / (loss)	(20)	82
Employer contributions	102	103
Employee contributions	41	42
Benefits paid	(42)	(58)
	<u>1,327</u>	<u>1,173</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £86,000.

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14 Pension and other post-retirement benefit commitments

(Continued)

Sensitivity Analysis	£ '000	£ '000	£ '000
<i>Adjustment to discount rate</i>	+0.1%	+0.0%	-0.1%
Present Value of Total Obligation	2,486	2,536	2,587
Projected Service Cost	178	182	186
 <i>Adjustment to long term salary increase</i>	+0.1%	+0.0%	-0.1%
Present Value of Total Obligation	2,548	2,536	2,524
Projected Service Cost	182	182	182
 <i>Adjustment to pension increases and deferred revaluation</i>	+0.1%	+0.0%	-0.1%
Present Value of Total Obligation	2,576	2,536	2,497
Projected Service Cost	186	182	178
 <i>Adjustment to mortality age rating assumption</i>	+1 Year	None	-1 Year
Present Value of Total Obligation	2,449	2,536	2,624
Projected Service Cost	176	182	188

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

	2014	2013	2012	2011
	£ '000	£ '000	£ '000	£ '000
Present value of defined benefit obligations	(2,536)	(2,784)	(2,426)	(1,782)
Fair value of scheme assets	1,327	1,173	952	727
 Deficit in the scheme	<u>(1,209)</u>	<u>(1,611)</u>	<u>(1,474)</u>	<u>(1,055)</u>
 Experience adjustments on share of scheme assets:	664	-	-	-
 Experience adjustments on share of scheme liabilities:	(20)	82	14	(2)

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15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 September 2013	Incoming resources	Resources Expended	Transfers	Balance at 31 August 2014
	£	£	£	£	£
British Council	3,000	-	(3,000)	-	-
Bursery	-	21,177	(21,177)	-	-
Defined Benefit Pension Liability	(1,611,000)	-	402,000	-	(1,209,000)
Educational Services Grant	-	147,914	(147,914)	-	-
General Annual Grant (GAG)	221,960	4,426,777	(4,105,843)	(102,246)	440,648
Other LA Grants	-	34,558	(34,558)	-	-
Pupil Premium	-	64,493	(64,493)	-	-
Recharges and Reimbursements	-	42,905	(42,905)	-	-
Technology & Drama Grant	-	338,977	-	(252,300)	86,677
Trip Income	2,000	164,314	(166,314)	-	-
	(1,384,040)	5,241,115	(4,184,204)	(354,546)	(681,675)

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

General Annual Grant - This is the main income for the academy trust and should be spent on educational purposes.

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

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NOTES TO THE ACCOUNTS (CONTINUED)
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16 Restricted fixed asset funds

The income funds of the Academy Trust include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2013	Movement in funds			Balance at 31 August 2014
		Incoming resources	Depreciation	Transfers	
	£	£	£	£	£
Technology & Drama Block	-	-	-	252,300	252,300
DFE/EFA Capital Grant	588,000	-	(10,435)	-	577,565
Other LEA Capital	10,363,787	-	(188,583)	-	10,175,204
Capital expenditure from GAG	658,000	-	(75,304)	102,246	684,942
Wolfson Trust	28,000	-	(1,000)	-	27,000
	<u>11,637,787</u>	<u>-</u>	<u>(275,322)</u>	<u>354,546</u>	<u>11,717,011</u>

The school was awarded a grant from the EFA to extend classroom space, improve pastoral support and several areas of Health and Safety concern.

17 Analysis of net assets between funds

	Unrestricted	Restricted Fixed Assets	Restricted	Total
	£	£	£	£
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	11,717,011	-	11,717,011
Current assets	45,610	-	1,006,924	1,052,534
Creditors: amounts falling due within one year	-	-	(479,599)	(479,599)
Defined benefit pension liability	-	-	(1,209,000)	(1,209,000)
	<u>45,610</u>	<u>11,717,011</u>	<u>(681,675)</u>	<u>11,080,946</u>

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18	Net cash inflow from operating activities	2014	2013		
		£	£		
	Reconciliation to changes in resources				
	Changes in resources before revaluations	278,199	51,000		
	FRS 17 expected return on scheme assets	(73,000)	(52,000)		
	FRS 17 interest on defined benefit pension scheme	135,000	97,000		
	FRS 17 service cost adjustment	57,000	50,000		
	Depreciation of tangible fixed assets	275,322	250,000		
	(Increase) / Decrease in Stocks	(205)	2,000		
	(Increase) / Decrease in debtors	(191,569)	44,000		
	Increase in creditors	231,556	(82,000)		
		<u>712,303</u>	<u>360,000</u>		
19	Reconciliation of net cash flow to movement in net funds	2014	2013		
		£	£		
	Increase in cash	357,760	206,000		
	Net funds at 1 September 2013	<u>456,000</u>	<u>250,000</u>		
	Net funds at 31 August 2014	<u>813,760</u>	<u>456,000</u>		
20	Analysis of net cash balances				
		At 1	Cash flow	Non-cash	At 31 August
		September		changes	2014
		2013			
		£	£	£	£
	Cash at bank and in hand	456,000	357,760	-	813,760
		<u>456,000</u>	<u>357,760</u>	<u>-</u>	<u>813,760</u>