



Chipping Norton School Academy Trust

(a company limited by guarantee)

Annual Report and Financial Statements

Year ended 31 August 2014

Company Registration Number: 7929429 (England and Wales)

Chipping Norton School Academy Trust
Annual Report and Financial Statements for the year ended 31 August 2014

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Reference and Administrative Details

Members	David Cherry Sandra Coleman Ian McCubbin Simon Mead Nigel Whitehead		
Trustees (Directors/Governors)			
• Chair	Simon Mead	*	Re-elected September 2013
• Vice Chair	Stuart Duff	* (Parent)	Elected September 2013
• Principal and Accounting Officer	Simon Duffy	*	
	Nigel Beales	(Staff)	Appointed September 2013
	Nova Bradley		
	Christopher Butterworth		
	David Cherry	*	
	John Cochrane		
	Sandra Coleman	* (Parent)	
	Polly Coles	(Parent)	
	Elizabeth Corley	(Staff)	Appointed January 2014
	Nicola Hitchens	(Parent)	
	Gregory Ledgard-Hoile	(Parent)	Appointed March 2014
	Elizabeth MacLeod		
	Ian McCubbin	*	
	John McCormick	(Staff)	
	Seymour Mincer	(Parent)	End of Term of Office February 2014
	Suzanne Saunders	(Parent)	
	John Vincent	(Parent)	
	Nigel Whitehead	*	
	Elaine Wood	(Staff)	Resigned December 2013
			* Strategy and Resources Committee
Company Secretary	Madeleine Rickard		Also Clerk to the Governors
Senior Management Team			
• Headteacher and Principal	Simon Duffy		
• Deputy Headteacher	Natalie Hancock		
• Deputy Headteacher	Nigel Sellars		
• Assistant Headteacher	Linda Savory		
• Assistant Headteacher	Ann Ashdown		
• Business Manager	Gary Kelly		
• Senior Manager Administration	Madeleine Rickard		
Principal and Registered Office			Chipping Norton School, Burford Road, Chipping Norton OX7 5DY
Company Registration Number			7929429 (England and Wales)
Independent Auditor	Critchleys LLP		Greyfriars Court, Paradise Square, Oxford OX1 1BE
Responsible Officer	Michael Lawes		
Bankers	Lloyds Bank PLC		
Solicitors	Blake Morgan LLP		Seacourt Tower, West Way, Oxford OX2 0FB

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Trustees' Report

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the Charitable Company for the year ended 31 August 2014. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for students between the ages of 11 and 19 serving the catchment area of Chipping Norton and the surrounding communities. It has a Key Stages 3 and 4 capacity totalling 975 and had a roll of 867 plus 175 in Key Stage 5 in the 2014 school census.

1) Structure, Governance and Management

a) Constitution

The Chipping Norton School Academy Trust was established on 31 January 2012 as a company limited by guarantee and an exempt charity, and converted to Academy status on 1 March 2012. The Charitable Company's Memorandum and Articles of Association for Academies together with the Funding Agreement dated 29 February 2012 entered into with the Secretary of State for Education are the primary governing documents of the Chipping Norton School Academy Trust.

The Governors act as the Trustees for the charitable activities of Chipping Norton School Academy Trust Limited and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Chipping Norton School Academy Trust.

Details of the Governors who served throughout the period except as noted are included in the Reference and Administrative Details in this report.

b) Members' Liability

The five Members of the Chipping Norton School Academy Trust 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.

c) Trustees' Indemnities

The Academy Trust has insurance cover in force for Governors' and Trustees' liability. Insurance cover is provided by Zurich Municipal and the indemnity limit is £5,000,000.

d) Principal Activities

The Academy Trust's object is defined in the Articles of Association, is specifically restricted, and is addressed in the Objectives and Activities section of the Trustees' Report below.

e) Method of Recruitment and Appointment or Election of Trustees

The Chipping Norton School Academy Trust's Governing Body currently fulfils both the role of Board of Directors (or Trustees) for the Academy Trust, and the Academy's Local Governing Body. The Governing Body is therefore subject to the relevant clauses and conditions in the Articles of Association. The Academy Trust's Governing Body constitutes individuals drawn from a range of backgrounds that represent both those interested parties involved in the activities of the Academy Trust and the necessary skills mix required to contribute fully to the Academy's development.

There are three main categories of Governor or Director/Trustee;

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Parent – as indicated in the Articles of Association. The Governing Body 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 Chipping Norton School 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 done via letters home and email to parents, accompanied by a nomination form. Parents may self-nominate. Nominations are received by a stipulated day. Ballot papers are then sent via the same route outlining candidate credentials. Completed ballot papers are requested to be returned to the Clerk to the Governors by a set date. A Parent Governor may only be elected by parents of registered pupils at Chipping Norton School and must be a parent of a pupil at the school at the time when he/she is elected. The Clerk to the Governors tallies the votes received and the nominee polling the majority of votes is duly elected. The Clerk to the Governors publishes the results. There are currently seven Parent Governors.

Staff – as indicated in the Articles of Association. Serving staff at Chipping Norton School elect Staff Governors in a manner similar to that outlined above. There are currently three Staff Governors plus the Principal. The total number of Governors who are employees of the Academy Trust (including the Principal) must not exceed one third of the total number of Governors.

Members' Governors – as indicated in the Articles of Association. The Members can appoint up to ten Governors.

In addition, the Governors may appoint up to three Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors.

f) Policies and Procedures Adopted for the Induction and Training of governors

The Governing Body provides all Governors with access to the range of education and training materials and courses made available by both Oxfordshire County Council and the National Governors Association. This includes specific Induction course training events which are run regularly in Oxfordshire. The Clerk to the Governors maintains a list of all training courses attended by Governors. A standard pack of Induction materials, following the guidelines proposed by Oxfordshire County Council, is made available to all new Governors. It is the Chair's and Clerk to the Governors' joint responsibility to ensure that all Governors have access to the relevant training.

g) Organisational Structure

The Governing Body meets at least four times a year to receive reports from its committees and manage its strategic objectives. The majority of its operational responsibilities including day to day management are delegated to;

- The Principal who is also the Accounting Officer
- The Principal meets regularly with the Business Manager to ensure that the school operates within its funding levels.
- The Senior Management Team
- The following Committees

The main Governing Body Committees are;

- Strategy and Resources
- Staff Development and Support
- Student Development and Support
- Premises
- Curriculum

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The remit and terms of reference for each committee as well as the committee structure are reviewed annually. Committees usually meet once per term, making appropriate reports and recommendations to the full Board of Governors. They each elect a chair who will sit on the Strategy and Resources Committee.

They will be served by relevant members of the school staff who will provide evidence and information as required by committees, but will have no power to vote. The Principal will attend any committee as business may require. Committees actively support the School Development Plan with specific areas identified within the plan for each committee. Policies and other documents are allocated to Committees for discussion and approval.

Additional Governing Body Committees are;

- Performance Management (of Principal/Headteacher)
- Salary of Principal/Headteacher
- Academy – ad-hoc committee with the remit to address any matters specific to Academy status delegated by the Governing Body

Exceptional Governing Body Committees are;

- Complaints Committee
- Appeals Committee
- Permanent Exclusions Committee

These groups are formed as required, comprising three Governors in each, to consider any matters delegated to them by the Chair of Governors, within procedures adopted by the Governing Body and legislation requirements.

h) Connected Organisations, including Related Party Relationships

Chipping Norton School Academy Trust is not part of a wider network such as a soft federation. The school participates in shared activities with both the West Oxfordshire Learning Partnership of Secondary Schools, and the Chipping Norton Partnership of feeder Primary Schools.

2) Objectives and Activities

When setting the objectives of the Academy for the year, the Board of Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on advancing education.

a) Objects and Aims

The Academy Trust's objects are based on the Articles of Association;

- a) To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Chipping Norton School offering a broad and balanced curriculum; and
- b) To promote for the benefits of the inhabitants of Chipping Norton and the surrounding area the provision of facilities for recreation and other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the lives of the said inhabitants.

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b) Objectives, Strategies and Activities

The sole activity of Chipping Norton School Academy Trust is the operation of Chipping Norton School to provide education for students between the ages of 11 and 19. The aims are:

- To ensure that the potential of each student is recognised and that their success is valued.
- To ensure that all students enjoy the same quality of education and the same range of opportunities.
- To provide students with a clear sense of personal responsibility and an awareness of the values of excellence, respect, tolerance, enjoyment and commitment.
- To comply with all appropriate statutory requirements.
- To provide value for money for the funds expended.

Chipping Norton School has clear improvement strategies which derive from careful self-evaluation and clear development planning. These strategies are all aimed at raising student attainment and achievement. Our overall aim is to provide an outstanding quality of education for all of our students.

2013/14 School Development Plan key outcomes:

- Increase the percentage of students making expected levels of progress from KS (Key Stage) 2 to KS3 and KS3 to KS4.
- Raise the achievement of middle ability students (joining at level 3 or 4) to meet or exceed expected progress.
- Reverse the trend for SACEM (5 A* to C GCSE results including English and Mathematics) performance.
- Improve achievement in key subject areas.
- Improve attainment at KS4 for the best 8 subjects (CAPS8) to above national averages.
- Improve the quality of teaching and learning. Percentage of good and outstanding lessons to be raised from 80% to 90%.
- Reduce the within school gap for Pupil Premium students.
- Raise attendance from 94% to 95% and reduce persistent absence by 0.5%.

2014/15 School Development Plan key outcomes

- Increase percentage of students making KS2-4 expected progress.
- Raise achievement of middle ability students to exceed expected levels of progress.
- Raise achievement of boys.
- Raise CAPS8 attainment to equal or exceed national figures.
- Raise KS5 ALPS (Advanced Level Performance System) 3 year T score.
- Improve attainment in identified key subjects at KS4 and KS5 to above national expectations (spotlight departments).
- Improve the quality of teaching and learning to that of the best (90% good or better).
- Improvement Priority: Marking and Feedback. Improve the quality of marking and feedback to ensure that students make strong progress.
- Improvement Priority: Independent Learning. Independent Learning strategy used to improve expected progress.
- Reduce 'within school' PPG (Pupil Premium Grant) expected progress gap.
- Reduce gap in attainment between boys and girls in English.
- Raise attendance rates from 94% to 95% and reduce persistent absence.

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c) Public Benefit

The Board of Trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission in exercising their powers or duties.

As a non-selective state secondary school, the Academy's work is by its very nature to the public benefit. Chipping Norton School 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 school's ethos to promote the individual in a caring environment.

The Board of Trustees have regard to Charity Commission guidance on public benefit beyond the provision of secondary education. The school conducts its business with great consideration to its neighbours and strives to continue to make an active contribution to the local community in Chipping Norton and the surrounding villages. There are numerous community links in place and the school focuses various resources specifically in this area, through the Chipping Norton Partnership, engaging in many extra-curricular activities and events. Specific regard to this aspect is made within the Objects for the Academy Trust as detailed above.

3) Strategic Report

a) Achievements and Performance

In the period up to 31st August 2014 the following were achieved;

- School Development Plan incorporating the key findings from the 2012 Ofsted report and Chipping Norton School Self Evaluation. Focus on improvement priorities related to Marking and Feedback, and Independent Learning. Developing the role of Middle leaders to model and share best practice and secure high quality teaching and learning.
- Emphasis on improving learning outcomes and overall attendance figures.
- Outstanding A level results in August 2014. ALPS (A level system for monitoring and reviewing student progress) three year score raised to 3.22 at A level and 3.56 at AS level.
- Strong University Application success rate with 40% going to Russell Group universities.
- £415k of Academy Capital Maintenance grant expenditure to renew and upgrade heating system (completed summer 2014)
- Staff costs maintained at just below 80% of total expenditure for 2013/14. Work ongoing to reduce overall staff costs to reflect reduced funding.

b) Key Performance Indicators

These include the judgements made based upon the guidance in the Ofsted Inspection Handbook; the progress students make from KS2 – KS4; the GCSE results; the A level results; student attendance; student numbers on roll; exclusion data. Each year the school is judged against specific targets set in the School Development Plan (see section 2). The school also monitors staffing costs as a percentage of total costs when developing the annual budget and periodically through the year to ensure resources are expended as planned.

c) 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.

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4) Financial Review

a) Funding

The principal source of operating funds was the General Annual Grant ("GAG") received via the Education Funding Agency. The Academy Trust also received Pupil Premium funding for students who were eligible for Free School Meals.

The Academy Trust submitted a bid for capital funding for Re-roofing and Waterproofing Works but was unsuccessful in obtaining funding in this round of Academy Capital Maintenance Funding (ACMF). The intention is to resubmit the bid targeting specific roof areas with additional evidence of deteriorating condition as advised in comments and feedback received on the original bid.

b) Expenditure

Staffing costs continue to be the main expenditure for the Trust and remain in line with student numbers. Employer contributions for Local Government Pension Scheme increased based upon the results of the tri-annual actuarial assessment of the Trust's staffing profile.

Continued investment in educational equipment took place during the year including replacing rollerboards in classrooms, installing new floor coverings and purchasing new classroom tables and chairs. New PCs were purchased for the Graphics classroom, along with replacement laptops for staff and O/H projectors for several classrooms. Digital walkie-talkie radios were procured to replace the aging analogue devices providing reliable communication for routine operations and emergencies. A new dishwasher was installed in the canteen kitchen and repairs were made to fencing and dry stone walls.

The ACMF project for Heating Pipework Replacement and Controls project was completed which will provide more comfortable classroom and office conditions during the winter along with reduced gas consumption due to greater efficiency of the heating system.

New LED light fixtures were installed in several areas of the school using capital from a SALIX loan with repayment over an eight year period. Reduced electricity costs as a result of the low energy usage of the LED lighting nearly matched the annual loan repayment in the initial year of operation. Increased annual savings are projected due to savings in tube replacement which are not required for LED fixtures.

Several pathways were resurfaced to improve external access to the site in conjunction with a local authority funded project for the installation of three wheelchair lifts for improved disabled access within the site.

c) Fund balances

The total fund balances of the Academy at 31 August 2014, as detailed in note 18 to the financial statements amounted to £8,160k. Excluding the fixed asset fund (representing the net book value of fixed assets) of £8,943k and the pension deficit of £1,612k, fund balances amounted to £829k and are summarised below as follows:

	£'000
GAG funds	242
Other restricted income funds	41
Academies Capital Maintenance Fund	57
Other Capital Funds	55
Designated funds for Partnership and Community Learning	184
General unrestricted funds	<u>250</u>
	<u>829</u>

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d) Reserves Policy

The Academy Trust's Reserves Policy is to carry forward reserves designed to meet cyclical needs related to student numbers and staffing. The reserves are available to meet other unforeseen contingencies such as long term staff absence or emergency building repairs. The Reserves Policy is reviewed annually.

The Trust's range of reserves considered appropriate is £300k - £400K. This will be achieved through closely monitored spending and income generation through Partnership and Community activities.

The Trust's free reserves, representing the General Unrestricted funds, amounted to £250k. In addition, the Academy had reserves amounting to £184k which have been designated for Partnership of Schools activities and Community learning projects over the next few years.

e) Investment Policy

The Academy Trust seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. At 31 August 2014, Trust reserves amounting to £250k were held in bank deposits.

5) Principal Risks and Uncertainties

The Board of Trustees have produced a Risk Assessment to identify Strategic, Operational, Regulatory and Financial risks to the school which is reviewed at least annually.

The major risks to which the Trust is exposed, as identified by the Board of Trustees, have been reviewed, and systems or procedures have been established to manage these risks. The internal control systems and the exposure to risks are considered on a regular basis by the Senior Management Team and the Board of Trustees' Strategy and Resources Committee.

The principal risks identified by the Trust as being those most likely to occur and to have the largest impact, seriously affecting the performance, future prospects or reputation of the Trust, including its viability, can be summarised as follows;

- Reputational damage as a result of unfavourable Ofsted reports, Health and Safety legislation compliance failures, perceived student outcomes, inconsistent media communications and a changing secondary education market in West Oxfordshire
- The above reputational risk plus changes to school transport provision impacting ability to attract and retain students and staff, with a resultant potential reduction in revenues
- Main ICT systems and resources unavailability and/or inability to meet business and educational needs
- Potential failure to ensure key leadership and management roles succession, achieving a balanced governance model with Trustees, and provision of appropriate levels of management information, with associated staff morale implications
- Insufficient Capital Projects budget/spend

6) Plans for Future Periods

The main aims and objectives for Chipping Norton School for the immediate future are set out in the Objectives and Activities section above.

In support of these objectives, there are immediate and strategic activities planned to further enhance the fabric of the school buildings. The school intends to submit a bid under the new Condition Improvement Fund (CIF) for works to those sections of roofing where leaks are occurring or likely to occur in the near future. Other areas where improvements are planned are the upgrade or replacement of the fire alarm and telephone systems which are reaching the end of their service life and for which limited maintenance support is available.

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7) Auditor

Insofar as the Governors 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.

Trustees' report, incorporating a strategic report, approved by order of the members of the Board of Trustees, as the Company Directors on 3rd December 2014 and signed on the Board's behalf by;



Mr Simon Mead

Chair

Chipping Norton School Academy Trust

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Governance Statement

a) Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Chipping Norton 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 Chipping Norton 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.

b) Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has met four times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Simon Mead – Chair	3	4
Simon Duffy – Principal	4	4
Nigel Beales	4	4
Nova Bradley	1	4
Christopher Butterworth	4	4
David Cherry	4	4
John Cochrane	4	4
Sandra Coleman	4	4
Polly Coles	4	4
Elizabeth Corley	2	2
Stuart Duff	2	4
Nicola Hitchens	3	4
Greg Ledger-Hoile	1	1
Elizabeth MacLeod	3	4
John McCormick	4	4
Ian McCubbin	1	4
Seymour Mincer	2	2
Suzanne Saunders	3	4
John Vincent	4	4
Nigel Whitehead	4	4
Elaine Wood	2	2

The Strategy and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to;

- Co-ordinate the work of the Governing Body and its committees, consider any issues which affect more than one committee to avoid duplication or conflict.
- Prepare a budget for ratification by the full Board, and monitor expenditure against the budget plan for the year. Monitor monthly expenditure and cash flow.
- Oversee the functioning and methods of the school's financial administration.
- Develop a clear view of the school's strengths and areas requiring improvement. Ensure effective input is provided by the Governing Body.
- Ensure preparedness for Ofsted and other inspections of the school.
- Prepare the School Development Plan for ratification by the Governing Body

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- Act as the Audit committee for the main Board of Trustees

Attendance at meetings in the year was as follows:

Trustee/Officer	Meetings attended	Out of a possible
Simon Mead – Chair	4	5
Simon Duffy – Principal	5	5
David Cherry	5	5
Sandra Coleman	5	5
Stuart Duff	3	5
Ian McCubbin	4	5
Nigel Whitehead	5	5
Gary Kelly – Business Manager	4	5
Nigel Sellars – Deputy Head	2	5

c) Governance Review

The Board of Trustees review their governance arrangements each year and document the agreed governance model for the year in the Governing Body Committees terms of reference. This links the work of the Governing Body directly with the School Development Plan and aligns with the Trust's Objects and Activities as documented in the Trustees' Report. The chair and vice-chair have participated in the National College for Teaching and Leadership's Chair of Governors Leadership Development Programme (CoGLDP) during the year and are planning to apply some of the best practices shared in the coming year.

d) 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 Chipping Norton School Academy Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

e) 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 year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

f) The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Strategy and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;

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- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The Board of Trustees have appointed Michael Lawes, an experienced Local Authority officer, 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. At least twice a year the RO reports to the Board of Trustees through the Strategy and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. No significant risk features were identified or reported upon.

g) Review of Effectiveness

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

- The work of the Responsible Officer;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the 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 Strategy and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 3rd December 2014 and signed on its behalf by



Mr Simon Mead
Chair



Mr Simon Duffy
Accounting Officer

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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Chipping Norton 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 Simon Duffy

Accounting Officer

3rd December 2014

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Statement of Trustees' Responsibilities

The Trustees (who act as Governors of Chipping Norton 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 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 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 3rd December 2014 and signed on its behalf by;



Mr Simon Mead

Chair

Chipping Norton School Academy Trust

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Independent Auditor's Report to the members of Chipping Norton School Academy Trust

We have audited the financial statements of Chipping Norton School Academy Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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 academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governor's report to identify material inconsistencies with the audited financial statements. 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 academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Annual Report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Chipping Norton School Academy Trust
Annual Report and Financial Statements for the year ended 31 August 2014

Independent Auditor's Report to the members of Chipping Norton School Academy Trust
(continued)

Matters on which we are required to report by exception

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

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



Caroline Webster (Senior statutory auditor)
For and on behalf of Critchleys LLP
Statutory Auditor
Oxford

Date: 5 December 2014

Chipping Norton School Academy Trust
Annual Report and Financial Statements for the year ended 31 August 2014

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

In accordance with the terms of our engagement letter dated 18 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Chipping Norton School 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 letter. Our work has been undertaken so that we might state to Chipping Norton School 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 Chipping Norton Academy Trust and the EFA, for our review work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Chipping Norton School Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 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:

1. Reviewing of minutes of meetings of the Board of Directors and obtaining representations concerning access to information, disclosure and provision of information
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

Chipping Norton School Academy Trust
Annual Report and Financial Statements for the year ended 31 August 2014

Independent Reporting Accountant's Assurance Report on Regularity to Chipping Norton 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.



Crichtleys LLP
Reporting Accountant
Oxford

Date: *5 December 2014*

Chipping Norton School Academy Trust
Statement of Financial Activities
For the year ended 31 August 2014
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2014	2013
		£	Funds	Asset	£	£
			£	Funds		
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	18,354	-	-	18,354	41,978
Activities for generating funds	3	11,556	-	-	11,556	11,703
Investment income	4	2,037	-	-	2,037	7,856
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	5,501,874	16,967	5,518,841	6,001,505
Other income for educational operations	6	563,429	-	-	563,429	560,120
Total incoming resources		595,376	5,501,874	16,967	6,114,217	6,623,162
Resources expended						
<i>Cost of generating funds:</i>						
Costs of activities for generating funds	7	2,037	-	-	2,037	1,938
<i>Charitable activities:</i>						
Academy's educational operations	7,8	606,092	5,314,521	474,660	6,395,273	6,371,899
<i>Governance costs</i>	9	-	12,840	-	12,840	14,885
Total resources expended		608,129	5,327,361	474,660	6,410,150	6,388,722
Net incoming / (outgoing) resources before transfers		(12,753)	174,513	(457,693)	(295,933)	234,440
Gross transfers between funds	18	-	(202,646)	202,646	-	-
Net income/(expenditure) for the year		(12,753)	(28,133)	(255,047)	(295,933)	234,440
Actuarial gains and losses in period for defined benefit pension schemes	18,28	-	(138,000)	-	(138,000)	(30,000)
Net movement in funds		(12,753)	(166,133)	(255,047)	(433,933)	204,440
Funds carried forward at 1 September 2013		446,326	(1,162,049)	9,309,680	8,593,957	8,389,517
Funds carried forward at 31 August 2014		433,573	(1,328,182)	9,054,633	8,160,024	8,593,957

All of the Academy's activities derive from continuing operations in the current accounting period.

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

Chipping Norton School Academy Trust
Balance sheet
As at 31 August 2014

Company number:
07929429

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	13		8,943,490		8,833,531
Current assets					
Stock	14	26,683		27,994	
Debtors	15	135,954		478,959	
Cash at bank and in hand		<u>1,123,872</u>		<u>1,013,827</u>	
		<u>1,286,509</u>		<u>1,520,780</u>	
Creditors: Amounts falling due within one year	16	<u>(365,245)</u>		<u>(398,354)</u>	
Net current assets			<u>921,264</u>		<u>1,122,426</u>
Total assets less current liabilities			<u>9,864,754</u>		<u>9,955,957</u>
Creditors: Amounts falling due after more than one year	17		<u>(92,730)</u>		<u>-</u>
Net assets excluding pension liability			<u>9,772,024</u>		<u>9,955,957</u>
Pension scheme liability	28		<u>(1,612,000)</u>		<u>(1,362,000)</u>
Net assets including pension liability			<u><u>8,160,024</u></u>		<u><u>8,593,957</u></u>
Funds of the academy:					
Restricted fixed asset funds	18		9,054,633		9,309,680
Restricted general funds					
Restricted funds excluding pension liability	18	283,818		199,951	
Pension reserve	18	<u>(1,612,000)</u>		<u>(1,362,000)</u>	
Total restricted general funds			<u>(1,328,182)</u>		<u>(1,162,049)</u>
Unrestricted funds	18		433,573		446,326
Total funds			<u><u>8,160,024</u></u>		<u><u>8,593,957</u></u>

The financial statements were approved by the Board of Governors and authorised for issue on 3 December 2014

Signed on behalf of the Board of Governors



Mr Simon Mead
Chair of the Governors

Chipping Norton School Academy Trust
Cash Flow Statement
For the year ended 31 August 2014

	Notes	2014 £	2013 £
Net cashflow from operating activities	22	704,590	139,106
Returns on investments and servicing of finance	23	2,037	7,856
Capital expenditure and financial investment	24	(596,582)	(132,154)
Increase/(decrease) in cash in the year	25	<u>110,045</u>	<u>14,808</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		1,013,827	999,019
Net funds at 31 August 2014		<u><u>1,123,872</u></u>	<u><u>1,013,827</u></u>

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

1. Statement of Accounting Policies

Basis of Preparation

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

Going Concern

The governors 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 governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable 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 the service.

1. Statement of Accounting Policies (continued)

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 Academy Trust's policies.

Resources Expended

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

Costs of generating funds

These are costs incurred in 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.

All resources expended are inclusive of any irrecoverable VAT.

1. Statement of Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The property transferred on conversion was valued on a depreciated replacement cost basis which is not representative of market value (see note 13 for further details).

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	50 years from construction
Leasehold improvements	10-30 years
Fixtures, fittings and equipment	7 years
ICT equipment	5 years

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

A review for impairment of a fixed asset 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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Any significant catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

1. Statement of Accounting Policies (continued)

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 29, 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.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education and other funders where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and other funders.

Chipping Norton School Academy Trust
Notes to the financial statements
For the year ended 31 August 2014

2 Voluntary income

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Uniform funds/stock transferred to academy	-	-	-	34,268
Other grants and donations	18,354	-	18,354	7,710
	<u>18,354</u>	<u>-</u>	<u>18,354</u>	<u>41,978</u>

3 Activities for Generating Funds

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Hire of facilities / other lettings	11,556	-	11,556	11,703
	<u>11,556</u>	<u>-</u>	<u>11,556</u>	<u>11,703</u>

4 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Bank interest	2,037	-	2,037	7,856
	<u>2,037</u>	<u>-</u>	<u>2,037</u>	<u>7,856</u>

5 Funding for Academy's educational operations

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
DfE/EFA capital grants				
Academies Capital Maintenance Fund grant	-	(34,526)	(34,526)	530,976
Devolved formula capital grant	-	22,563	22,563	22,107
	-	(11,963)	(11,963)	553,083
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	5,362,306	5,362,306	5,291,310
GAG: SEN LACSEG adjustment	-	(80,736)	(80,736)	-
Other DfE grants	-	191,222	191,222	150,803
	-	5,472,792	5,472,792	5,442,113
Other Government grants				
Local Authority revenue grants	-	28,846	28,846	-
Local Authority capital grants	-	28,930	28,930	-
Other grants	-	236	236	6,309
	-	58,012	58,012	6,309
	-	5,518,841	5,518,841	6,001,505

6 Other income for educational operations

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Contributions to salaries	33,923	-	33,923	37,276
Trips and activities income	229,000	-	229,000	245,785
Catering income	144,326	-	144,326	141,401
Uniform income	36,291	-	36,291	28,743
Other educational income	119,889	-	119,889	106,915
	563,429	-	563,429	560,120

Chipping Norton School Academy Trust
Notes to the financial statements
For the year ended 31 August 2014

7 Resources Expended

	Staff Costs	Premises Costs	Other Costs	Total 2014	Total 2013
	£	£	£	£	£
Costs of activities for generating funds					
Allocated support costs	1,813	-	224	2,037	1,938
Academy's educational operations					
Direct costs (note 8)	3,764,693	-	705,940	4,470,633	4,332,244
Allocated support costs (note 8)	889,725	296,793	738,122	1,924,640	2,039,655
	4,654,418	296,793	1,444,062	6,395,273	6,371,899
Governance costs (note 9)	-	-	12,840	12,840	14,885
	4,656,231	296,793	1,457,126	6,410,150	6,388,722

Incoming/outgoing resources for the year include:

	2014 £	2013 £
Operating leases		
Plant and machinery	-	-
Other	32,857	24,032

8 Charitable Activities - Academy's educational operations

	Total 2014	Total 2013
	£	£
Direct costs		
Teaching and educational support staff costs	3,764,693	3,653,938
Educational supplies and trip costs	550,154	529,047
Examination fees	102,884	95,990
Staff development	25,794	22,993
Other direct costs	27,108	30,276
	<u>4,470,633</u>	<u>4,332,244</u>
Allocated support costs		
Support staff costs	491,684	532,496
Depreciation	474,660	446,287
Recruitment and support	22,096	14,305
Maintenance (inc. staff costs)	249,787	316,723
Cleaning	109,012	114,396
Rent, rates and other utilities	104,032	138,292
Catering costs (inc. staff costs)	172,292	168,993
Insurance	43,044	52,764
IT costs	77,979	81,563
Photocopier and stationery costs	16,814	5,200
Consultancy and other professional fees	8,239	28,537
Other pension costs	66,000	54,000
Other finance costs (FRS17 pension)	46,000	34,000
Other support costs	43,001	52,099
	<u>1,924,640</u>	<u>2,039,655</u>
Total	<u><u>6,395,273</u></u>	<u><u>6,371,899</u></u>

9 Governance Costs

	Total 2014	Total 2013
	£	£
Auditor's remuneration:		
Audit services	8,040	7,800
Other services	4,450	7,175
Other governance costs	350	(90)
	<u>12,840</u>	<u>14,885</u>

10 Staff Costs

	2014	2013
	£	£
Staff costs for the period were:		
Wages and salaries	3,703,101	3,643,922
Social security costs	268,601	265,492
Pension costs	561,632	544,631
FRS17 Other pensions and finance costs	112,000	88,000
	<u>4,645,334</u>	<u>4,542,045</u>
Agency supply teacher costs	10,897	17,128
	<u>4,656,231</u>	<u>4,559,173</u>

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

	2014 No.	2013 No.
Charitable Activities		
Teachers	62	66
Administration and support	49	47
Management	7	7
	<u>118</u>	<u>120</u>

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

	2014 No.	2013 No.
£60,001 - £70,000	2	2
£80,001 - £90,000	<u>1</u>	<u>1</u>

The above employees also participated in either the Teachers' Pension Scheme or the Local Government Pension Scheme. During the period ended 31 August 2014, pension contributions for these staff amounted to £30,710 (2013: £29,892).

11 Trustees' remuneration and expenses

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. Remuneration for the period (including employers' pension contributions) is disclosed in £5,000 bands for governors who are also Trustees of the academy trust, as follows:

	2014 £	2013 £
S Duffy, Headteacher Governor and Trustee	£100k-£105k	£95k-£100k
V Sinclair, Staff Governor and Trustee	-	£50k-£55k
J McCormick, Staff Governor and Trustee	£20k-£25k	£20k-£25k
E Wood, Staff Governor and Trustee	-	£20k-£25k
N Beales, Staff Governor and Trustee	£45k-£50k	-
E Corley, Staff Governor and Trustee	£45k-£50k	-

During the period ended 31 August 2014, no expenses were reimbursed to governors for travel and subsistence expenditure incurred in their roles as governors (2013: Nil).

There were no related party transactions involving trustees (note 29).

12 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5m on any one claim and the cost for the period ended 31 August 2014 was £1,469 (2013: £1,469).

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

13 Tangible Fixed Assets

	Leasehold Property £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
As at 1 September 2013	9,272,466	62,193	147,271	9,481,930
Additions	513,654	22,986	47,979	584,619
As at 31 August 2014	9,786,120	85,179	195,250	10,066,549
Depreciation				
As at 1 September 2013	575,136	17,940	55,323	648,399
Charges in year	418,121	15,623	40,916	474,660
As at 31 August 2014	993,257	33,563	96,239	1,123,059
Net book values				
As at 31 August 2014	8,792,863	51,616	99,011	8,943,490
As at 1 September 2013	8,697,330	44,253	91,948	8,833,531

The long leasehold buildings transferred on conversion were valued on a depreciated replacement cost basis by using a reinstatement cost valuation prepared by Ridge LLP and adjusting for depreciation reflecting the relative age of the properties based on an approximate 50 year estimated useful economic life from construction. The academy took out 125 year leases over the property at the date of conversion.

The additions to leasehold property during the year represented improvement works to existing buildings.

14 Stock

	2014 £	2013 £
Uniform	26,683	27,994
	<u>26,683</u>	<u>27,994</u>

15 Debtors

	2014 £	2013 £
Trade debtors	1,219	1,943
Prepayments and accrued income	68,504	99,679
Other debtors	66,231	377,337
	<u>135,954</u>	<u>478,959</u>

Other debtors includes an amount of £10,389 (2013: £332,401) relating to the balance of the Academies Capital Maintenance Fund grant awarded to the Academy.

16 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	99,926	133,307
PAYE and NIC creditor	81,245	84,436
Other creditors	74,757	75,961
EFA funding clawback (SEN LACSEG adjustment)	40,368	-
Salix loan	8,056	-
Accruals and deferred income	60,893	104,650
	<u>365,245</u>	<u>398,354</u>

Deferred income

	2014 £	2013 £
Deferred income at 1 September 2013	54,074	58,484
Amounts released in respect of previous periods	(54,074)	(58,484)
Amounts deferred in the period	50,234	54,074
Deferred income at 31 August 2014	<u>50,234</u>	<u>54,074</u>

Deferred income relates to income received in advance for trips and activities.

17 Creditors: amounts falling due after more than one year

	2014 £	2013 £
EFA funding clawback (SEN LACSEG adjustment)	40,368	-
Salix loan	52,362	-
	<u>92,730</u>	<u>-</u>

18 Funds

	Balance at 1 Sept 2013 £	Incoming Resources £	Resources Expended £	Gains/losses & transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	174,861	5,281,570	(5,011,547)	(202,646)	242,238
Pupil Premium funding	25,090	166,518	(152,074)	-	39,534
16-19 bursary funding	-	8,061	(6,015)	-	2,046
Other DfE/EFA funding	-	16,643	(16,643)	-	-
Local authority revenue grants	-	28,846	(28,846)	-	-
Other grants	-	236	(236)	-	-
Pension reserve (note 28)	(1,362,000)	-	(112,000)	(138,000)	(1,612,000)
	<u>(1,162,049)</u>	<u>5,501,874</u>	<u>(5,327,361)</u>	<u>(340,646)</u>	<u>(1,328,182)</u>
Restricted fixed asset funds					
Capital funds transferred on conversion	54,590	-	-	-	54,590
Local authority capital grants	-	28,930	-	(28,930)	-
Academies Capital Maintenance Fund	421,559	(34,526)	-	(330,480)	56,553
Devolved formula capital grant	-	22,563	-	(22,563)	-
Fixed asset fund (note 13)	8,833,531	-	(474,660)	584,619	8,943,490
	<u>9,309,680</u>	<u>16,967</u>	<u>(474,660)</u>	<u>202,646</u>	<u>9,054,633</u>
Total restricted funds	<u>8,147,631</u>	<u>5,518,841</u>	<u>(5,802,021)</u>	<u>(138,000)</u>	<u>7,726,451</u>
Unrestricted funds					
General unrestricted funds	246,135	552,711	(549,258)	-	249,588
Partnership of Schools designated funds	70,423	19,438	(33,674)	-	56,187
Community learning designated funds	129,768	23,227	(25,197)	-	127,798
Total unrestricted funds	<u>446,326</u>	<u>595,376</u>	<u>(608,129)</u>	<u>-</u>	<u>433,573</u>
Total funds	<u>8,593,957</u>	<u>6,114,217</u>	<u>(6,410,150)</u>	<u>(138,000)</u>	<u>8,160,024</u>

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

The LGPS deficit is likely to be met in the longer term from any combination of increased employer or employee contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

19 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	8,943,490	8,943,490
Current assets	891,548	283,818	111,143	1,286,509
Current liabilities	(365,245)	-	-	(365,245)
Long term liabilities	(92,730)	-	-	(92,730)
Pension Scheme liability	-	(1,612,000)	-	(1,612,000)
Total net assets	433,573	(1,328,182)	9,054,633	8,160,024

20 Capital commitments

	2014 £	2013 £
Contracted for, but not provided in the financial statements	56,553	200,613

21 Financial commitments

Operating leases

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

	2014 £	2013 £
<u>Land and buildings</u>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	-	-
<u>Other</u>		
Expiring within one year	6,008	-
Expiring within two and five years inclusive	8,825	24,032
Expiring in over five years	-	-
	14,833	24,032

22 Reconciliation of net income to net cash flow from operating activities	2014	2013
	£	£
Net income/(expenditure) for the year	(295,933)	234,440
Depreciation (note 13)	474,660	446,287
Capital grants from DfE	11,963	(553,083)
Interest receivable (note 4)	(2,037)	(7,856)
FRS17 pension costs less contributions payable (note 28)	66,000	54,000
FRS17 pension other finance charges (note 28)	46,000	34,000
(Increase)/decrease in stock	1,311	(27,994)
(Increase)/decrease in debtors	343,005	(24,150)
Increase/(decrease) in creditors	59,621	(16,538)
Net cash inflow from operating activities	704,590	139,106

23 Returns on investments and servicing of finance	2014	2013
	£	£
Interest received	2,037	7,856
Net cash inflow from returns on investment and servicing of finance	2,037	7,856

24 Capital expenditure and financial investment	2014	2013
	£	£
Purchase of tangible fixed assets	(584,619)	(685,237)
Capital grants from DfE	(11,963)	553,083
Receipts from sale of tangible fixed assets	-	-
Net cash outflow from capital expenditure and financial investment	(596,582)	(132,154)

25 Analysis of changes in net funds	At 1 Sept 2013	Cashflows	At 31 August 2014
	£	£	£
Cash at bank and in hand	1,013,827	110,045	1,123,872
	1,013,827	110,045	1,123,872

26 Contingent liabilities

There are no contingent liabilities that require disclosure.

27 Members' liability

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

28 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £74,762 were payable to the schemes at 31 August 2014 (2013: £75,748) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme governed by the Teachers' Pension 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' Pension 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

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

28 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The last valuation of the TPS related to the period 1 April 2001 -31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report 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 from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the 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 (FRS17) 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 FRS17 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.

28 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £240,000 of which employer's contributions totalled £186,000 and employees' contributions totalled £54,000. The agreed contribution rates for future years are 18.4% for employers and 5.5-12.5% for employees until 31st March 2017. In addition, employer top-up contributions of £32,000, £34,000 and £35,000 are due for the years ended 31st March 2015, 2016 and 2017 respectively.

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.

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	4.40%	5.10%
Rate of increase for pensions in payment / inflation	2.60%	2.90%
Discount rate for scheme liabilities	3.90%	4.70%
Inflation assumption (CPI)	2.60%	2.90%
Commutation of pensions to lump sums	50.00%	50.00%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption.

Sensitivity Analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	3,201	3,265	3,330
Projected service cost	265	270	275
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	3,155	3,265	3,376
Projected service cost	261	270	279

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	23.2	19.2
Females	25.5	23.2
<i>Retiring in 20 years</i>		
Males	25.4	21.1
Females	27.9	25.1

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.70%	1,177,000	7.00%	899,000
Gilts	3.00%	160,000	3.50%	156,000
Other bonds	3.60%	107,000	4.40%	52,000
Property	5.90%	105,000	6.00%	78,000
Cash	2.90%	74,000	0.50%	52,000
Other (hedge funds)	6.70%	30,000	5.00%	65,000
Total market value of assets		1,653,000		1,302,000
Present value of scheme liabilities				
- Funded		(3,265,000)		(2,664,000)
Surplus/(deficit) in the scheme		(1,612,000)		(1,362,000)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2014 for the year to 31 August 2015).

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

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

Amounts recognised in the statement of financial activities

	2014 £	2013 £
Current service cost (net of employee contributions)	252,000	227,000
Past service cost	-	-
	-	-
Total operating charge	252,000	227,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	86,000	56,000
Interest on pension liabilities	(132,000)	(90,000)
Pension finance income / (costs)	(46,000)	(34,000)

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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 FRS17 is a £251,000 loss (2013: £113,000 loss).

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

	2014 £	2013 £
At 1 September	2,664,000	2,166,000
Current service cost	252,000	227,000
Interest cost	132,000	90,000
Employee contributions	54,000	54,000
Actuarial (gain)/loss	170,000	125,000
Estimated benefits paid	(7,000)	2,000
Past Service cost	-	-
Curtailments and settlements	-	-
At 31 August	3,265,000	2,664,000

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

	2014 £	2013 £
At 1 September	1,302,000	922,000
Expected return on assets	86,000	56,000
Actuarial gain/(loss)	32,000	95,000
Employer contributions	186,000	173,000
Employee contributions	54,000	54,000
Benefits paid	(7,000)	2,000
At 31 August	1,653,000	1,302,000

Reconciliation of opening and closing deficit				
	2014		2013	
	£	£	£	£
Pension deficit at 1 September		(1,362,000)		(1,244,000)
Current service cost	(252,000)		(227,000)	
Employer contributions	186,000		173,000	
Additional pension cost		(66,000)		(54,000)
Other finance costs		(46,000)		(34,000)
Actuarial losses		(138,000)		(30,000)
Pension deficit at 31 August		<u>(1,612,000)</u>		<u>(1,362,000)</u>

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The estimated value of employer contributions for the year ended 31 August 2015 is £203,000 (2013: £171,000)

The history of experience adjustments is as follows:

	2014 £	2013 £
Present value of defined benefit obligations	(3,265,000)	(2,664,000)
Fair value of share of scheme assets	1,653,000	1,302,000
Deficit in the scheme	<u>(1,612,000)</u>	<u>(1,362,000)</u>
Experience adjustments on share of scheme assets	<u>32,000</u>	<u>95,000</u>
Experience adjustments on scheme liabilities	<u>(35,000)</u>	<u>-</u>

29 Related party transactions

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

There were no transactions in the period with organisations in which a member of the board of governors has any material interest.