

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

McCabe Ford Williams
Statutory Auditors &
Chartered Accountants
Bank Chambers
1 Central Avenue
SITTINGBOURNE
Kent
ME10 4AE

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

	Page
Reference and Administrative Details	1-2
Trustees' Report	3-8
Governance Statement	9-11
Statement on Regularity, Propriety and Compliance	12
Statement of Trustees' Responsibilities	13
Independent Auditor's Report on the Financial Statements	14-15
Independent Reporting Accountant's Report on Regularity	16-17
Statement of Financial Activities (incorporating an Income and Expenditure Account and a Statement of Total Recognised Gains and Losses)	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21-22
Notes to the Financial Statements	23-41

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014

Members

Dr A Weatherley
Reverend M Roberts
Mr D Fuller

Trustees

Miss S Baker	
Mrs S J Bodycomb	- resigned 31 August 2014
Mr J Boyes	
Mr J D Bradley	- resigned 21 March 2014
Mrs R C Daniels	
Mr M Dyer *	
Mrs M C Everard	
Dr C Ewen	
Mr D Fuller *	
Mrs L M Gorringe*	
Mr B Griffiths	- resigned 9 October 2013
Mr L Hunter * (principal & accounting officer)	- appointed 1 September 2013
Mr A J Kilbee	
Ms A Pujadas-Telmon (staff trustee)	
Reverend M Roberts	
Mrs J C Rosso	
Mrs C S Sinnett-Smith*	
Mr M Waite *	
Dr A Weatherley (chairperson)	
Mr J R Williams (staff trustee)	- resigned 31 August 2014

* Members of the Finance and Building and Grounds Committee

Company Secretary

Mr S Farrer

Senior Management Team

Mr L Hunter	PrincipalAccounting Officer (appointed 1 September 2013)
Ms C Buchanan	Deputy Headteacher
Mr L Thompson	Deputy Headteacher
Mr M Neeve	Assistant Headteacher
Miss F Peycelon	Assistant Headteacher
Mr S Farrer	Business Manager

Principal and Registered Office

Sir Roger Manwood's School
Manwood Road
Sandwich
Kent CT13 9JX

Registered Company Number

07539918 (England and Wales)

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014

Independent Auditor

Clair Rayner ACA DChA (Senior Statutory Auditor)

McCabe Ford Williams

Statutory Auditors and Chartered Accountants

Bank Chambers

1 Central Avenue

Sittingbourne

Kent ME10 4AE

Bankers

National Westminster Bank PLC, 21 Market Street, Sandwich, Kent, CT13 9DD

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2014

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

The trust operates a school for pupils aged 11 to 19 serving a catchment area in Sandwich and Deal and the surrounding rural community. The governing body has agreed to increase to five forms of entry from four in September 2014 due to the increase in demand for places.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The trustees of Sir Roger Manwood's School are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

The board of trustees may appoint up to four community trustees and the local community trustee. They may also appoint staff trustees through such a process as they may determine, provided that the total number of trustees (including the principal) who are employees of the charitable company does not exceed one third of the total number of trustees.

Foundation trustees are appointed on the following basis:

- two shall be appointed by The Lord Warden of the Cinque Ports;
- one shall be appointed by The Master and Fellow of Gonville and Caius College, Cambridge;
- one shall be appointed by The Rector of Lincoln College, Oxford, and;
- one shall be appointed by Canterbury Diocesan Board of Education, on behalf of the Archbishop of Canterbury.

The parent trustees shall be elected by parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time of their election. The board of trustees shall make all necessary arrangements for and determine all other matters relating to, an election of parent trustees, including any question of whether a person is a parent of a registered pupil at the academy. Any election of parent trustees which is contested shall be held by secret ballot.

Where a vacancy for a parent trustee is required to be filled by election, the board of trustees shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as candidate, and vote at the election, and given an opportunity to do so.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2014

Method of Recruitment and Appointment or Election of Trustees - continued

In appointing a parent trustee, the board of trustees shall appoint a person who is the parent of a registered pupil at the academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The staff trustees shall be elected by a secret ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the academy (excluding the Headteacher). All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate shall be determined by the trustees. If a staff trustee ceases to work at the academy then he shall be deemed to have resigned and shall cease to be a trustee automatically on termination of his work at the academy. Any election of a staff trustee which is contested shall be held by secret ballot.

The first parent trustees and staff trustees were those people who filled those positions on the board of trustees of the predecessor Sir Roger Manwood's School at its closure who became trustees on the opening of the academy as parent or staff trustees for the remainder of the terms of office for which they were elected to the predecessor board of trustees.

The trustees may appoint up to three co-opted trustees. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if thereby the number of trustees who are employees of the academy trust would exceed one third of the total number of trustees (including the Headteacher).

The Secretary of State may appoint additional trustees as he thinks fit if a warning notice has been given to the trustees because the standards of performance are unacceptably low, there is a serious breakdown in the way the academy is managed and the safety of staff and pupils is threatened and following this, the trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint additional trustees following an inspection by the Chief Inspector in accordance with the Education Act 2005 where the academy trust receives an Ofsted grading which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a five year period.

The Secretary of State may also appoint further trustees as he thinks fit if a Special Measures Termination Event occurs.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction provided for new trustees is tailored to their existing experience, with training provided on charity, educational, legal and financial matters as necessary. Copies of the policies, procedures, minutes, accounts, budget, plans and any other necessary documents that they will need to undertake their role as a trustee will be made available.

Ongoing training is available through Kent County Council Trustee Services. They provide an annual calendar of training events in addition to online training that all trustees can access. Training sessions for all trustees are arranged at the school on appropriate topics, usually once per year.

Organisational Structure

The trustees are responsible for the strategic direction of the school, making major decisions and monitoring the activities of the school. This is achieved through three meetings a year of the full board of trustees and meetings of committees set up to look at specific areas of the school's activities. The trustees are responsible for monitoring the performance of the Headteacher on a regular basis.

The Headteacher is assisted by two Deputy Headteachers and two Assistant Headteachers. The organisational structure cascades via senior leaders and middle managers that includes the School Business Manager, Heads of Department and Heads of Year.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Connected Organisations including Related Party Relationships

The academy does not belong to a chain of academies and as such it is not part of any wider network or federation. However, it has a significant link with Malcolm Waite Limited which is owned by a trustee and trades with the academy and links with other local organisations which include:

- Old Manwoodian Association
- Manwood Trust

OBJECTIVES AND ACTIVITIES

Objects and Aims

The school's object is to advance for the public benefit education in the Sandwich area of Kent, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a selective school offering a broad and balanced curriculum.

The school aims to:

Ensure that, each student maximises their academic potential, and staff continue to aspire to the highest standards of teaching and learning in its delivery that contains effective differentiation.

Continually review the curriculum and its delivery in order to ensure that it meets the needs of its students, encourages high aspirations and enables them to fulfil their potential.

Provide excellent CPD opportunities for all staff through after school in-house training programmes and other means. Professional development being supported by an effective Performance Management process.

Further develop the use of ICT in school to support teaching and learning and administration within school. To produce a strategic plan of ICT development over the periods 2014-2019.

Continue to develop the PSHCEE provision with particular focus on health, sex, drugs, life skills and citizenship education.

To continue to reflect upon the successful Ofsted inspection in 2013 to both maintain and improve the current high standards.

Develop effective communication with parents through the use of SIMS Learning Gateway and Schoolcomms.

Provide staff and students with an environment that is fit for purpose. Develop a strategic plan for the development of the school site for the period 2014-2019. Continue to seek funding from the Academies Capital Maintenance Fund for building improvements.

Ensure value for money from the school's funding.

The introduction of performance related pay for teaching staff to reflect the STPCD.

Ensure that the provision of boarding is judged Outstanding at the next Ofsted inspection.

Maintain the very high standard of pupil behaviour, attendance and punctuality.

The school has worked hard to achieve its aims and the trustees have been kept informed through the work of the committees who report to the full board of trustees.

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2014

OBJECTIVES AND ACTIVITIES - continued

Public Benefit

The trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The public benefit of Sir Roger Manwood's School is the advancement of education within the local community.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The school had 891 students on roll and this included 55 boarders.

The overall pass rate at A level was 98.4%, with 61% being at grade B or above. This year saw the highest percentage of A* grades (14%) awarded since its introduction in 2010.

28 students gained at least 3 A grades, of whom 13 gained at least 2 A* grades. All 8 who had Oxford or Cambridge offers obtained the grades required.

The average number of GCSE subjects taken by a student in the year group was 10.75, and the average points score per candidate was 513. 77% of all the examinations taken were passed at the top grades of A*, A or B. 94% were at grade C or above.

Key Financial Performance Indicators

An analysis of the school's financial performance undertaken through the examination of the following:

- (1) the school's budget and the relating situation in terms of financial soundness
- (2) the comparative data of spending by similar schools

indicates that the school has performed well in financial terms.

An analysis of the school's spending pattern against benchmarking data from other similar schools indicates that spending is broadly in line with the national picture.

Specific financial KPI's for the year under review are as follows:

	31.08.14			31.08.13		
	Excluding boarding	Boarding	Whole school	Excluding boarding	Boarding	Whole school
Educational wages per pupil enrolled	N/A	N/A	£3,639	N/A	N/A	£3,761
Boarding wages per boarding pupil	N/A	£4,606	N/A	N/A	£4,563	N/A
Total wages as a percentage of GAG funding	84.13%	6.04%	90.17%	82.40%	5.76%	88.16%
Total wages as a percentage of total revenue grants	82.57%	5.92%	88.49%	80.32%	5.62%	85.94%

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2014

Going Concern

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

FINANCIAL REVIEW

The academy's accounting period covers a twelve month trading period from 1 September 2013 to 31 August 2014.

The majority of the school's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed assets fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned

The school is in its fourth year of operation having taken over the previous educational activity of Sir Roger Manwood's School operating as a foundation school, and has made investment that includes acquiring the fixed assets of the predecessor foundation school.

The school has also received income in respect of its boarding facility and lettings.

Reserves Policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments of the school, including future capital projects, and the nature of the reserves. The trustees keep the level of the reserves under review.

Funds in Deficit

The LGPS is stated in the accounts to be in deficit in the sum of £801,000 as at the balance sheet date (2013: £731,000). It should be noted however that this deficit will not crystallise within the foreseeable future and that the academy follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. The advised level of contributions has been taken into account when preparing the academy's budgets for the year ended 31 August 2014.

Investment Policy

The school is limited to the amount of reserves that it is able to hold and in general these need to be readily accessible. The practice is, therefore, to keep any reserves in an interest bearing bank account.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2014

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk and uncertainty in respect of the school relates to the future funding available. The school mitigates this risk as far as possible by preparing budgets which are reviewed by the trustees to ensure that the level of anticipated funding is sufficient to meet the requirements of the school. Any shortfall identified is considered by the trustees and remedial action taken with a view to balancing the budget.

Financial and Risk Management Objectives and Policies

Risk Management

The trustees have assessed the major risks to which the school is exposed, in particular those relating to the delivery of the curriculum, provision of facilities, health & safety and other operational areas and its finances.

Risks that have been considered over the current period have included the sustainability of a five form entry to year 7, and potential changes to the funding that the school receives in future years.

Measures are in place through policies and procedures to minimise those risks that can be quantified. Appropriate insurances are also in place.

The future financial and risk management objectives for the academy include:

- Ensuring that the impact from the current tightening of funding in the public sector is fully taken into consideration when decisions about future spending are taken.

PLANS FOR FUTURE PERIODS

The school seeks continuous improvement in its provision of education and a similar improvement in its fixed assets and its resources.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The trustees hold no funds as custodian trustee

AUDITOR

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 1 December 2014 and signed on the board's behalf by:

.....
Dr A Weatherley
Chair

SIR ROGER MANWOOD'S 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 Sir Roger Manwood's 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 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 Sir Roger Manwood's School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year ended 31 August 2014. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Miss S Baker	4	4
Mrs S J Bodycomb	3	4
Mr J Boyes	2	4
Mr J D Bradley	1	1
Mrs R C Daniels	4	4
Mr M Dyer *	0	4
Mrs C M Everard	4	4
Dr C Ewen	3	4
Mr D Fuller *	4	4
Mrs L M Gorrige*	4	4
Mr B Griffiths	0	1
Mr L Hunter * (principal & accounting officer)	4	4
Mr A J Kilbee	4	4
Ms A Pujadas-Telmon (staff trustee)	4	4
Reverend M Roberts	4	4
Mrs J C Rosso	3	4
Mrs C S Sinnett-Smith*	2	4
Mr M Waite *	4	4
Dr A Weatherley (chairperson)	4	4
Mr J R Williams (staff trustee)	4	4

The board of trustees operates four committees that take responsibility for particular areas of governance. The Buildings and Grounds committee was combined with the Finance committee in January 2014. The table referred to above shows the trustee representation on each of the committees and their attendance at committee meetings. Each committee feeds into the full board of trustees at each of the meetings of the full board of trustees.

Four governors resigned during the year, this included a staff governor. The governors have carried out a review of the board and completed a skills audit. From the audit training needs have been identified and a programme will be put in place for the next academic year. The vacancies will also be filled in the next academic year. Mr L Hunter as the newly appointed Headteacher joined the governing body in September 2013.

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The finance and buildings and grounds committee is a sub-committee of the main board of trustees. Its purpose is to:

To effectively plan and monitor the financial resources of the school. Due to the continued reductions in funding and the proposal to take an additional form of entry the committee paid particular attention to the setting of the budget for 2014-2015 and the projected 3 year budget.

During the year L Hunter, joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Dyer	5	6
Mr D Fuller	5	6
Mrs L M Gorringe	2	4
Mr L Hunter (appointed 1 September 2013)	6	6
Mrs C S Sinnett-Smith	1	4
Mr M Waite	5	6
Mr J R Williams	1	4

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Building and Grounds Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed T Mills, an external sufficiently qualified individual, 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 termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities. The RO function has been fully delivered in line with the EFA's requirements and all recommendations have been implemented.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Buildings and Grounds 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 1 December 2014 and signed on its behalf by:



.....
Dr A Weatherley
Chair



.....
Mr L Hunter
Accounting Officer

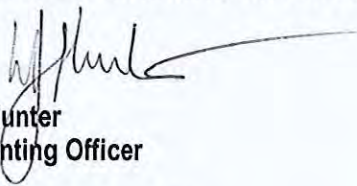
SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014

As accounting officer of Sir Roger Manwood's 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 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 L Hunter
Accounting Officer

Date: 1 December 2014

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2014

The trustees (who act as governors of Sir Roger Manwood's School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that year. 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.

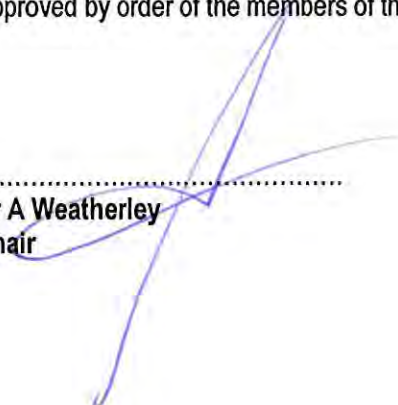
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 Education Funding Agency and Department for Education 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 2 December 2014 and signed on its behalf by:

.....
Dr A Weatherley
Chair



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

We have audited the financial statements of Sir Roger Manwood's School 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page fourteen, the trustees (who are also the directors of the charitable company 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

Matters on which we are required to report by exception

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

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

Clair Rayner ACA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE



Date: 2 December 2014

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
SIR ROGER MANWOOD'S SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sir Roger Manwood's School 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 Sir Roger Manwood's School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Sir Roger Manwood's School 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 Sir Roger Manwood's School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of Sir Roger Manwood's School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Sir Roger Manwood's School's funding agreement with the Secretary of State for Education dated 1 March 2011 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 our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the responsible officer during the period;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the board of trustees;
- Review of fixed asset transactions against the requirements of the funding agreement between Sir Roger Manwood's School and the Secretary of State and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
SIR ROGER MANWOOD'S 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.

Clair Rayner ACA DChA (Senior Reporting Accountant)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE



Date: 2 December 2014

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT AND
A STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	31.08.14 Total Funds	31.08.13 Total Funds
	Note	£	£	£	£	£
INCOMING RESOURCES						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	35,306	638	-	35,944	17,643
Activities for generating funds	3	190,509	263,258	-	453,767	489,428
Investment income	4	6,449	361	-	6,810	5,042
<i>Incoming resources from charitable activities:</i>						
Funding for the academy's educational operations	5	-	4,272,425	254,224	4,526,649	4,792,567
Provision of boarding activities	26	563,027	-	-	563,027	557,663
Total incoming resources		795,291	4,536,682	254,224	5,586,197	5,862,343
RESOURCES EXPENDED						
<i>Cost of generating funds:</i>						
Fundraising trading	7	126,744	240,703	-	367,447	409,770
<i>Charitable activities:</i>						
Academy's educational operations	8	3,563	4,400,245	377,653	4,781,461	5,191,319
Provision of boarding activities	26	518,482	-	-	518,482	544,243
Governance costs	9	-	10,645	-	10,645	12,269
Total resources expended	6	648,789	4,651,593	377,653	5,678,035	6,157,601
Net incoming/ (outgoing) resources before transfers		146,502	(114,911)	(123,429)	(91,838)	(295,258)
Gross transfers between funds	19	(44,924)	27,286	17,638	-	-
Net income/(expenditure) for the year		101,578	(87,625)	(105,791)	(91,838)	(295,258)
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	24	-	(19,000)	-	(19,000)	(16,000)
Net movement in funds for the year		101,578	(106,625)	(105,791)	(110,838)	(311,258)
RECONCILIATION OF FUNDS						
Total funds brought forward		426,828	(624,642)	13,993,720	13,795,906	14,107,164
TOTAL FUNDS CARRIED FORWARD		528,406	(731,267)	13,887,929	13,685,068	13,795,906

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

BALANCE SHEET
AS AT 31 AUGUST 2014

	Notes	31.08.14 £	31.08.14 £	31.08.13 £	31.08.13 £
FIXED ASSETS					
Tangible assets	13		13,844,747		13,919,573
CURRENT ASSETS					
Stocks	14	4,093		3,292	
Debtors	15	189,134		212,568	
Cash at bank and in hand		<u>1,013,675</u>		<u>1,090,546</u>	
		1,206,902		1,306,406	
LIABILITIES					
Creditors: Amounts falling due within one year	16	<u>(556,831)</u>		<u>(699,073)</u>	
NET CURRENT ASSETS			<u>650,071</u>		<u>607,333</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			14,494,818		14,526,906
CREDITORS					
Amounts falling due after more than one year	17		(8,750)		-
Pension scheme liability	24		<u>(801,000)</u>		<u>(731,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>13,685,068</u>		<u>13,795,906</u>
FUNDS OF THE ACADEMY:					
RESTRICTED FUNDS					
Fixed asset funds	19	13,887,929		13,993,720	
General funds	19	69,733		106,358	
Pension fund	19	<u>(801,000)</u>		<u>(731,000)</u>	
TOTAL RESTRICTED FUNDS			13,156,662		13,369,078
UNRESTRICTED FUNDS					
General funds	19	<u>528,406</u>		<u>426,828</u>	
TOTAL UNRESTRICTED FUNDS			<u>528,406</u>		<u>426,828</u>
TOTAL FUNDS			<u>13,685,068</u>		<u>13,795,906</u>

The financial statements on pages nineteen to forty two were approved by the trustees, and authorised for issue on 2 December 2014 and are signed on their behalf by:

.....
Dr A Weatherley
Chair

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	31.08.14 £	31.08.13 £
Net cash (outflow)/ inflow from operating activities	1	(30,604)	90,027
Returns on investments and servicing of finance	2	6,810	5,042
Capital expenditure and financial investment	2	(33,295)	20,183
		<u>(57,089)</u>	<u>115,252</u>
Financing	2	10,000	-
(Decrease)/increase in cash in the period		<u>(47,089)</u>	<u>115,252</u>

Reconciliation of net cash flow to movement in net funds

3

(Decrease)/increase in cash in the period	(47,089)	115,252
Cash inflow from increase in debt and lease financing	<u>(10,000)</u>	<u>-</u>
Change in net debt resulting from cash flows	<u>(57,089)</u>	<u>115,252</u>
Movement in net debt in the period	(57,089)	115,252
Net funds at 1 September 2013	<u>1,060,764</u>	<u>945,512</u>
Net funds at 31 August 2014	<u>1,003,675</u>	<u>1,060,764</u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

1. RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	31.08.14	31.08.13
	£	£
Net outgoing resources	(91,838)	(295,258)
Depreciation charges (note 6)	326,092	319,521
Interest received (note 4)	(6,810)	(5,042)
FRS 17 pension cost less contributions payable (note 24)	25,000	13,000
FRS 17 pension finance costs (note 24)	26,000	20,000
Increase in stocks	(801)	(1,824)
Decrease/(increase) in debtors	23,434	(62,891)
(Decrease)/increase in creditors	(113,710)	131,492
Capital grants from DfE/EFA (note 5)	(254,224)	(324,103)
Revenue expenditure from capital grants	36,253	295,132
Net cash (outflow)/inflow from operating activities	(30,604)	90,027

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.08.14	31.08.13
	£	£
Returns on investments and servicing of finance		
Interest received	6,810	5,042
Net cash inflow for returns on investments and servicing of finance	6,810	5,042
Capital expenditure and financial investment		
Capital grants from DfE/EFA	254,224	324,103
Revenue expenditure from capital grants	(36,253)	(295,132)
Purchase of tangible fixed assets	(251,266)	(8,788)
Net cash outflow for capital expenditure and financial investment	(33,295)	(20,183)
Financing		
New loans in year	10,000	-
Net cash inflow from financing	10,000	-

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.13 £	Cash flow £	At 31.8.14 £
Net cash:			
Cash at bank and in hand	1,090,546	(76,871)	1,013,675
Bank overdraft	<u>(29,782)</u>	<u>29,782</u>	<u>-</u>
	<u>1,060,764</u>	<u>(47,089)</u>	<u>1,013,675</u>
Debt:			
Debts falling due within one year	-	(1,250)	(1,250)
Debts falling due after one year	<u>-</u>	<u>(8,750)</u>	<u>(8,750)</u>
	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Total	<u>1,060,764</u>	<u>(57,089)</u>	<u>1,003,675</u>

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

1. 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 Annual Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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. Sir Roger Manwood's School holds significant reserves and has significant cash balances. The academy produces its annual budgets with prudent figures for both income and expenditure. For this reason the trustees continue to adopt the going concern basis in preparing 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. Details of specific grants can be found in note 5.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES - continued

Property transferred upon conversion to an academy trust

Upon becoming an academy, the academy trust received title to the freehold of the school buildings for no consideration. The freehold property was valued based on the insurance rebuild cost and this was brought into the restricted fixed asset fund as a donation within the Statement of Financial Activities. The freehold land and buildings have since been valued by an independent professional valuer (the Education Funding Agency) on 31 August 2013. As the school is a specialised property the valuation has been assessed on a depreciated replacement cost basis after allowance for factors of age and obsolescence.

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. All resources expended are inclusive of irrecoverable VAT, where applicable.

Costs of generating funds

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

Charitable activities

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

Governance costs

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Freehold property	- straight line over 50 years
School equipment	- straight line over 5 years
Fixtures and fittings	- straight line over 5 years
Motor vehicles	- straight line over 5 years
Computer equipment	- straight line over 3 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES - continued

Leased assets

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

Stock

Catering stocks are valued at the lower of cost and net realisable value, on a first in first out basis, after making due allowance for obsolete and slow moving items.

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.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, 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 trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/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 with restrictions imposed by the funder/donor and include grants from the Education Funding Agency and Kent County Council.

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	31.08.14 Total Funds £	31.08.13 Total Funds £
Other donations	35,306	638	35,944	17,643
	<u>35,306</u>	<u>638</u>	<u>35,944</u>	<u>17,643</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	31.08.14 Total Funds £	31.08.13 Total Funds £
School trip income	3,493	200,511	204,004	248,130
Lettings	3,457	-	3,457	6,511
Student resales	21,914	-	21,914	30,247
Catering	137,775	-	137,775	134,235
Fundraising events	6,603	62,747	69,350	58,194
Other income	17,267	-	17,267	12,111
	<u>190,509</u>	<u>263,258</u>	<u>453,767</u>	<u>489,428</u>

4. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	31.08.14 Total Funds £	31.08.13 Total Funds £
Deposit account interest	6,449	361	6,810	5,042
	<u>6,449</u>	<u>361</u>	<u>6,810</u>	<u>5,042</u>

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	31.08.14 Total Funds £	31.08.13 Total Funds £
DfE/EFA GRANTS				
General Annual Grant (GAG)	-	4,197,611	4,197,611	4,356,095
Capital grants	-	254,224	254,224	324,103
Other DfE/EFA grants	-	60,893	60,893	45,989
	-	4,512,728	4,512,728	4,726,187
OTHER GOVERNMENT GRANTS				
Local authority grants	-	9,367	9,367	66,380
Special educational projects	-	4,554	4,554	-
	-	13,921	13,921	66,380
	-	4,526,649	4,526,649	4,792,567

6. RESOURCES EXPENDED

	Staff Costs £	Premises Costs £	Other Costs £	31.08.14 Total £	31.08.13 Total £
Costs of activities for generating funds	69,747	-	297,700	367,447	409,770
<i>Academy's educational operations</i>					
Direct costs	3,246,112	-	645,973	3,892,085	3,980,989
Allocated support costs	251,280	279,410	358,686	889,376	1,210,330
Costs of boarding	253,350	73,568	191,564	518,482	544,243
	3,750,742	352,978	1,196,223	5,299,943	5,735,562
Governance costs including allocated support costs	-	-	10,645	10,645	12,269
	3,820,489	352,978	1,504,568	5,678,035	6,157,601

Incoming/outgoing resources for the year include:

	31.08.14 £	31.08.13 £
Operating leases	13,191	20,897
Auditors' remuneration	8,625	8,200
Auditors' remuneration for non-audit work	2,875	3,585
Auditors' remuneration (over)/under provision prior years	(1,375)	(1,250)
Depreciation – owned assets	326,092	319,521

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

7. COSTS OF ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	31.08.14 Total Funds £	31.08.13 Total Funds £
Opening stock	3,292	-	3,292	1,468
Catering	53,705	-	53,705	67,539
School trips etc	-	240,703	240,703	273,903
Staff costs	69,747	-	69,747	66,860
	<u>126,744</u>	<u>240,703</u>	<u>367,447</u>	<u>409,770</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	31.08.14 Total £	31.08.13 Total £
Direct costs				
Teaching and educational support staff costs	-	3,246,111	3,246,111	3,324,775
Depreciation	-	304,845	304,845	294,918
Technology costs	-	26,104	26,104	58,204
Educational supplies	1,332	175,556	176,888	172,608
Examination fees	-	113,755	113,755	108,121
Staff development	-	13,903	13,903	8,479
Educational consultancy	-	10,479	10,479	13,884
	<u>1,332</u>	<u>3,890,753</u>	<u>3,892,085</u>	<u>3,980,989</u>
Allocated support costs				
Support staff costs	-	225,280	225,280	209,537
Depreciation	-	21,247	21,247	24,603
Technology costs	-	20,414	20,414	22,695
Recruitment and support	-	16,751	16,751	10,532
Maintenance of premises and equipment	-	160,320	160,320	447,197
Professional fees	-	40,904	40,904	33,517
Cleaning	-	90,392	90,392	88,173
Rent, rates and water	-	35,919	35,919	42,555
Insurance	-	35,388	35,388	37,916
Energy costs	-	97,613	97,613	75,425
Security and transport	-	14,294	14,294	13,929
Catering	-	14,054	14,054	12,492
Hire of equipment	-	13,191	13,191	18,747
Bank interest and charges	-	3,139	3,139	2,876
FRS17 interest less expected return on assets	-	26,000	26,000	20,000
Other support costs	2,231	72,239	74,470	150,136
	<u>2,231</u>	<u>887,145</u>	<u>889,376</u>	<u>1,210,330</u>
	<u>3,563</u>	<u>4,777,898</u>	<u>4,781,461</u>	<u>5,191,319</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

9. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	31.08.14 Total £	31.08.13 Total £
Legal and professional fees	-	520	520	1,040
Auditor's remuneration				
Audit of financial statements	-	7,625	7,625	7,200
Accounts preparation	-	1,000	1,000	1,000
Other non audit related services	-	2,875	2,875	3,585
(Under)/over provision	-	(1,375)	(1,375)	(1,250)
Trustees' reimbursed expenses	-	-	-	694
	-	10,645	10,645	12,269

10. STAFF

Staff costs

Staff costs during the period were:

	31.08.14 £	31.08.13 £
Wages and salaries	3,078,715	3,161,882
Social security costs	221,397	226,450
Pension costs	492,578	472,064
	3,792,690	3,860,396
Supply staff costs	13,799	11,765
Staff restructuring costs	14,000	-
	3,820,489	3,872,161

Staff severance payments

Included in staff restructuring costs are non statutory/non contractual severance payments totalling £14,000 (2013: £nil). One of the non statutory/non contractual payments exceeded £5,000 individually, and this was for £10,000.

Staff numbers

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

	31.08.14	31.08.13
Charitable activities		
Teachers and educational support	96	101
Administration and support	21	25
Management	5	3
	122	129

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

10. STAFF - continued

Staff numbers - continued

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

	31.08.14	31.08.13
Charitable activities		
Teachers and educational support	56	60
Administration and support	35	35
Management	<u>5</u>	<u>3</u>
	<u>96</u>	<u>98</u>

Higher paid staff

The number of employees whose emoluments fell within the following bands above £60,000 was:

	31.08.14	31.08.13
£60,001 - £70,000	2	2
£70,001 - £80,000	1	-
£80,001 - £90,000	<u>-</u>	<u>1</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £29,872 (2013: £31,241).

11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

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

C Morgan (Principal and trustee):	£nil (2013: £95,000 - £100,000)
L Hunter (Principal and trustee)	£70,000 - £80,000 (2013: £nil)
A Pujadas-Telmon (staff trustee):	£45,000 - £50,000 (2013: £45,000 - £50,000)
J Williams (staff trustee):	£40,000 - £45,000 (2013: £40,000 - £45,000)

During the year ended 31 August 2014, travel and subsistence expenses totalling £612 (2013: £694) were reimbursed to 1 trustee (2013: 2 Trustees).

Other related party transactions involving the trustees are set out in note 25.

12. TRUSTEES' AND OFFICERS' INSURANCE

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 insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is not disclosed separately, but is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

13. TANGIBLE FIXED ASSETS

	Freehold Property £	School Equipment £	Fixtures and Fittings £	Motor Vehicles £	Computer Equipment £	Totals £
COST						
At 1 September 2013	14,458,225	57,943	15,017	47,381	121,059	14,699,625
Additions	<u>222,781</u>	<u>26,155</u>	<u>2,330</u>	<u>-</u>	<u>-</u>	<u>251,266</u>
At 31 August 2014	<u>14,681,006</u>	<u>84,098</u>	<u>17,347</u>	<u>47,381</u>	<u>121,059</u>	<u>14,950,891</u>
DEPRECIATION						
At 1 September 2013	637,755	28,761	7,071	22,659	83,806	780,052
Charge for year	<u>259,075</u>	<u>16,819</u>	<u>3,469</u>	<u>9,476</u>	<u>37,253</u>	<u>326,092</u>
At 31 August 2014	<u>896,830</u>	<u>45,580</u>	<u>10,540</u>	<u>32,135</u>	<u>121,059</u>	<u>1,106,144</u>
At 31 August 2014	<u>13,784,176</u>	<u>38,518</u>	<u>6,807</u>	<u>15,246</u>	<u>-</u>	<u>13,844,747</u>
At 31 August 2013	<u>13,820,470</u>	<u>29,182</u>	<u>7,946</u>	<u>24,722</u>	<u>37,253</u>	<u>13,919,573</u>

Included in cost or valuation of land and buildings is freehold land of £1,694,337 (2013: £1,694,337) which is not depreciated.

14. STOCKS

	31.08.14 £	31.08.13 £
Catering	<u>4,093</u>	<u>3,292</u>

15. DEBTORS

	31.08.14 £	31.08.13 £
Trade debtors	104,171	102,524
VAT	58,944	54,883
Prepayments and accrued income	<u>26,019</u>	<u>55,161</u>
	<u>189,134</u>	<u>212,568</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.08.14	31.08.13
	£	£
Bank loans and overdrafts (see note 18)	-	29,782
Other loans (see note 18)	1,250	-
Trade creditors	113,758	89,115
Social security and other taxes	127,429	124,217
Other creditors	15,246	32,215
Accrued expenses and deferred income	299,148	423,744
	<u>556,831</u>	<u>699,073</u>

Deferred income

	31.08.14	31.08.13
	£	£
Deferred income at 1 September	184,637	188,228
Resources deferred in the year	201,242	184,637
Amounts released from previous years	<u>(184,637)</u>	<u>(188,228)</u>
Deferred income at 31 August	<u>201,242</u>	<u>184,637</u>

At the balance sheet date the academy trust was holding funds received in advance for boarding for the autumn term 2014, totalling £201,242.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.08.14	31.08.13
	£	£
Other loans (see note 18)	<u>8,750</u>	<u>-</u>

18. LOANS

An analysis of the maturity of loans is given below:

	31.08.14	31.08.13
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	-	29,782
Other loans	<u>1,250</u>	<u>-</u>
	<u>1,250</u>	<u>29,782</u>
Amounts falling between one and two years		
Other loans – 1-2 years	<u>2,500</u>	<u>-</u>
Amounts falling between two and five years		
Other loans – 2-5 years	<u>6,250</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

18. LOANS - continued

Last year there was a bank overdraft at the year end which was represented by a bank balance of £10,000 and outstanding cheques of £39,782. These amounts combined showed an overdrawn bank balance at the year end. No bank account operated by the Academy has been overdrawn during the year under review. The overdrawn balance was a book balance and the bank sweep facility ensures cleared funds are available to cover unrepresented cheques.

During the year, a loan was taken out with Salix Finance, which is approved by the EFA, for the boiler project. This is an interest free loan, and repayments will be made twice yearly over the next eight years from the savings that accrue from the boiler upgrade.

19. FUNDS

	At 1.09.13 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	At 31.08.14 £
Restricted general funds					
General Annual Grant (GAG)	20,475	4,197,611	(4,260,482)	42,396	-
School Voluntary Fund	52,027	264,255	(261,565)	-	54,717
Other grants	33,856	74,816	(78,546)	(15,110)	15,016
Pension reserve	(731,000)	-	(51,000)	(19,000)	(801,000)
	<u>(624,642)</u>	<u>4,536,682</u>	<u>(4,651,593)</u>	<u>8,286</u>	<u>(731,267)</u>
Restricted fixed asset funds					
Transfer of property	13,811,682	-	(255,102)	-	13,556,580
Other assets	99,101	-	(61,788)	14,173	51,486
DfE/EFA capital grants	82,937	254,224	(60,763)	3,465	279,863
	<u>13,993,720</u>	<u>254,224</u>	<u>(377,653)</u>	<u>17,638</u>	<u>13,887,929</u>
Total restricted funds	<u>13,369,078</u>	<u>4,790,906</u>	<u>(5,029,246)</u>	<u>25,924</u>	<u>13,154,332</u>
Unrestricted funds					
Unrestricted funds	380,331	232,264	(130,307)	(51,224)	431,064
Boarding	46,497	563,027	(518,482)	6,300	97,342
	<u>426,828</u>	<u>795,291</u>	<u>(648,789)</u>	<u>(44,924)</u>	<u>528,406</u>
Total funds	<u>13,795,906</u>	<u>5,586,197</u>	<u>(5,678,035)</u>	<u>(19,000)</u>	<u>13,685,068</u>

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the Academy.

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

Other restricted general funds

Funding is provided by Government grants in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

19. FUNDS - continued

Restricted fixed asset funds

Funding is provided by way of Government grants or capital expenditure from the GAG in order to acquire specified fixed assets for use by the Academy in achieving its educational objectives.

A one-off transfer of buildings and other fixed assets previously in use by Sir Roger Manwood's School occurred upon conversion to an Academy.

Annual Capital Maintenance Funding of £234,226 was received during the year for the filling in of the courtyard to create a sixth form area and for toilet refurbishment which was a project that spanned both this year and last year.

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the Academy.

Transfers between funds

During the year, the following transfers have been made:

GAG

£6,300 was transferred from GAG funds to boarding to cover the cost of insurance.

A total of £48,696 was transferred from unrestricted funds to GAG to cover the cost of expenditure throughout the year.

Total transfer £42,396.

Other Grants

£11,843 was transferred from other government grants to fixed asset funds being the amount of grants received in respect of the PE Project which was used to purchase fixed assets

Last year a transfer was made from unrestricted funds to cover the costs of the Comenius project. This year, income received for the Comenius project has been transferred back to unrestricted funds which relates to a timing difference on the fund and therefore is paying back some of the amount borrowed.

Total transfer £15,110.

Fixed Assets

£11,843 was transferred from other government grants to fixed asset funds being the amount of grants received in respect of the PE Project which was used to purchase fixed assets

£334 was transferred from unrestricted funds to fixed asset funds to cover the extra expenditure associated with the windows project.

£3,131 was transferred from unrestricted funds to fixed asset funds to cover the extra expenditure associated with the infill project.

£2,330 was transferred from unrestricted funds to fixed asset funds for the specific purchase of water fountains.

Total transfer £17,638.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total Funds £
Tangible fixed assets		-	13,844,747	13,844,747
Current assets	758,384	372,758	75,760	1,206,902
Current liabilities	(229,978)	(303,025)	(23,828)	(556,831)
Long term liabilities	-	-	(8,750)	(8,750)
Pension scheme liability	-	(801,000)	-	(801,000)
	<u>528,406</u>	<u>(731,267)</u>	<u>13,887,929</u>	<u>13,685,068</u>

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

21. CAPITAL COMMITMENTS

	31.08.14	31.08.13
	£	£
Contracted but not provided for in the financial statements	<u>11,000</u>	<u>243,484</u>

22. OPERATING LEASE COMMITMENTS

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

	31.08.14	31.08.13
	£	£
Other		
Expiring within one year	3,882	2,238
Expiring within two and five years inclusive	<u>6,075</u>	<u>13,705</u>
	<u>9,957</u>	<u>15,943</u>

23. 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.

24. PENSION AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £59,289 (2013: £56,102) were payable to the schemes at 31 August 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' 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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION AND SIMILAR OBLIGATIONS – continued

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

24. 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 year ended 31 August 2014 was £135,000 (2013: £136,000), of which employer's contributions totalled £106,000 and employees' contributions totalled £29,000 (2013: £108,000 and £28,000). The agreed contribution rates for future years are 19.8 per cent for employers and ranging between 5.5 and 12.5 per cent for employees depending on pensionable pay.

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 the balance sheet date (expressed as weighted averages):

	31.08.14	31.08.13
Discount rate	3.90%	4.70%
Price increases	2.60%	2.90%
Expected return on scheme assets	6.00%	5.90%
Future salary increases	4.40%	5.10%
Future pension increases	2.60%	2.90%
Commutation of pension to lump sums	50.00%	50.00%

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

	31.08.14	31.08.13
Retiring today		
Males	22.7	20.1
Females	25.1	24.1
Retiring in 20 years		
Males	24.9	22.1
Females	27.4	26.0

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:

	£ +0.1%	£ 0.0%	£ -0.1%
Adjustment to discount rate			
Present value of total obligation	1,715,000	1,752,000	1,790,000
Projected service cost	140,000	143,000	146,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	1,692,000	1,752,000	1,812,000
Projected service cost	138,000	143,000	148,000

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

24. 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%	649,000	6.60%	500,000
Gilts	3.00%	12,000	3.50%	-
Other bonds	3.60%	112,000	4.40%	83,000
Property	5.90%	97,000	4.60%	56,000
Cash	2.90%	40,000	0.50%	28,000
Target return portfolio	5.90%	41,000	5.00%	28,000
Total market value of assets		951,000		695,000
Present value of scheme liabilities				
-Funded		<u>(1,752,000)</u>		<u>(1,426,000)</u>
Deficit in the scheme		<u>(801,000)</u>		<u>(731,000)</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) 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 £79,000 (2013: £82,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans 31.08.14 £	Defined benefit pension plans 31.08.13 £
Current service cost (net of employee contributions)	<u>131,000</u>	<u>121,000</u>
Total operating charge	<u>131,000</u>	<u>121,000</u>
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	44,000	28,000
Interest on pension liabilities	<u>(70,000)</u>	<u>(48,000)</u>
Pension finance costs	<u>(26,000)</u>	<u>(20,000)</u>

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

24. 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 FRS 17 is a £148,000 loss (2013: £129,000 loss).

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

	Defined benefit pension plans 31.08.14 £	Defined benefit pension plans 31.08.13 £
Opening defined benefit obligation	1,426,000	1,158,000
Current service cost	131,000	121,000
Contributions by scheme participants	29,000	28,000
Interest cost	70,000	48,000
Estimated benefits paid	(20,000)	-
Actuarial losses	116,000	71,000
	<u>1,752,000</u>	<u>1,426,000</u>

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

	Defined benefit pension plans 31.08.14 £	Defined benefit pension plans 31.08.13 £
Opening fair value of scheme assets	695,000	476,000
Contributions by employer	106,000	108,000
Contributions by scheme participants	29,000	28,000
Expected return	44,000	28,000
Estimated benefits paid	(20,000)	-
Actuarial gains	97,000	55,000
	<u>951,000</u>	<u>695,000</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £93,000 (2014: £107,000).

Amounts for the current and preceding three periods are as follows:

	31.08.14 £	31.08.13 £	31.08.12 £	31.08.11 £
Defined benefit pension plans				
Defined benefit obligation	(1,752,000)	(1,426,000)	(1,158,000)	(807,000)
Fair value of scheme assets	951,000	695,000	476,000	307,000
Surplus /(Deficit)	(801,000)	(731,000)	(682,000)	(500,000)
Experience adjustments on scheme assets	97,000	55,000	20,000	(6,000)
Experience adjustments on scheme liabilities	4,000	-	-	-

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the board of trustees has 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.

Malcolm Waite Limited – a company which Mr M Waite, a trustee, wholly owns.

Transactions totalling £9,767 (2013: £9,444), relating to the purchase of fuel, vehicle repairs and servicing took place in the period. There was a balance amounting to £nil owed by the academy to the company at the year end (2013: £1,535).

In entering into the transactions the trust has complied with the requirements of the EFA's Academies Financial Handbook.

During the year under review Malcolm Waite Limited also made a donation to the school of £1,185.

Staff Trustees, Miss A Pujadas-Telmon and Mr J Williams, were reimbursed £nil (2013: £375) and £612 (2013: £319) respectively for travel expenses during the period.

An amount of nil (2013: £80) was paid to Mr C L R Morgan at the end of year as a leaving gift.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

26. ACADEMY BOARDING TRADING ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2014

	31.08.14 £	31.08.14 £	31.08.13 £	31.08.13 £
Income				
Fee income	561,652		553,067	
Other income	<u>1,375</u>		<u>4,596</u>	
		563,027		557,663
Expenditure				
Direct Costs				
Staff costs	90,383		90,326	
Goods and services	73,512		73,802	
Other direct costs	<u>78,279</u>		<u>67,785</u>	
Total direct costs	242,174		231,913	
Indirect costs				
Staff costs	162,967		160,662	
Utilities	7,880		19,785	
Rent and rates	13,808		15,540	
Insurance	7,470		7,530	
Buildings maintenance	51,880		73,557	
Equipment and IT purchases	5,065		8,175	
Other indirect costs	<u>27,238</u>		<u>27,081</u>	
Total indirect costs	276,308		312,330	
Total operating costs		<u>518,482</u>		<u>544,243</u>
Surplus on Boarding		44,545		13,420
Surplus/(Deficit) brought forward		46,497		26,777
Transfers from other funds		<u>6,300</u>		<u>6,300</u>
Surplus carried forward		<u>97,342</u>		<u>46,497</u>

Transfers between funds

£6,300 was transferred from the GAG fund to the boarding fund to cover the costs of insurance related specifically to boarding.