

financial statements

Gillotts School

Company Limited by Guarantee

For the year ended 31 August 2013

Company registration number: 07954417

Gillotts School, Company number 07954417
Company Limited by Guarantee

Financial Statements

Year ended 31 August 2013

Contents	Page
Reference and Administrative Details	1
Governors' Annual Report	2
Governance Statement	11
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees Responsibilities	15
Independent Auditor's Report to the Members	16
Independent Reporting Accountant's Assurance Report on Regularity	18
Statement of Financial Activities (incorporating the Income and Expenditure Account)	20
Balance Sheet	21
Cash Flow Statement	22
Accounting Policies	23
Notes to the Financial Statements	27

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Reference and Administrative Details

Members of the Board and Professional Advisers

Governors	Nicholas Walden*	Chairman
*Member of the Finance & Resources Committee	Jonathan Allen	
	Edmund Atkinson	End of term 24.11.12
	Conrad Bodman	Appointed 26.11.12
	Carol Brown*	Staff Governor Appointed 24.06.13
	Catharine Darnton*	Headteacher and Accounting Officer
	Gill Dodds	
	Rosemary Edginton*	Resigned 25.09.13
	Tom Espley	
	Jane Fenn*	Staff Governor
	Alison Flett	
	David Gorsuch	
	Roger Grant	Resigned 20.07.13
	Steven Miller*	
	John Print*	
	Darrel Poulos	
	Hayley Rogers	Staff Governor
	Linda Sanderson	Resigned 26.03.13
	Caroline Thompson*	Resigned 31.05.13
	Karen Watkins	Resigned 18.06.13
	Chris Wermann*	Appointed 26.11.12
	Susan White	
Company Secretary	Glynis Smith	
Senior Management Team	Catharine Darnton	Headteacher
	Edward Newbold	Deputy Headteacher
	Elsa Torres	Deputy Headteacher
	Sarah McHugh	Assistant Headteacher
	Glynis Smith	Business Manager
Registered Office	Gillotts School Gillotts Lane Henley-on-Thames Oxon RG9 5HN	
Company Registration Number	07954417	
Auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditor 31 Castle Street High Wycombe Buckinghamshire HP13 6RU	
Bankers	Lloyds TSB plc Henley-on-Thames branch PO Box 1000 BX1 1LT	

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Governors' Annual Report

Year ended 31 August 2013

The governors present their annual report together with the audited financial statements of Gillotts School for the period ended 31 August 2013. The Charitable Company was incorporated on 17 February 2012, and conversion to Academy status was on 01 March 2012.

Structure, Governance and Management

Constitution

Gillotts School 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.

The governors act as the trustees for the charitable activities of Gillotts School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Gillotts School.

Details of the governors who served throughout the year except as noted 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.

Governors' Indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1,445.

Principal Activities

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 a school ("the Academy") offering a broad and balanced curriculum;

To promote for the benefit of the inhabitants of Henley-on-Thames and the surrounding area the provision of facilities for recreation or 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 condition of life of the said inhabitants.

Method of Recruitment and Appointment or Election of Governors

In accordance with the Articles of Association, the Academy Trust has determined there shall be 20 governors. These comprise the Headteacher, 3 further members of staff (one of whom is a member of the support staff) elected by the staff, 6 parent governors elected by parents and carers (or, in default, appointed by the other governors), and 10 co-opted governors appointed by the Academy Trust.

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Governors' Annual Report

Year ended 31 August 2013

Method of Recruitment and Appointment or Election of Governors *(continued)*

Nominations for election for Staff and Parent Governors are carried out by letter to all those eligible to stand. The elections themselves are carried out by private written ballot. In appointing co-opted governors the Academy Trust seeks to appoint persons whose experience and skills will complement the governing body as a whole. All co-opted governors are appointed following recommendations to the Academy Trust, an introductory meeting and/or interview conducted by the Chair of Governors and at least one other member of the Trust, a formal recommendation and vote by the members of the Academy Trust

At 31 August 2013, there were three vacancies for three co-opted governors.

Policies and Procedures Adopted for the Induction and Training of Governors.

Gillotts School currently subscribes to the Governor Training Services provision of Oxfordshire County Council which carries out most governor training for the school.

The induction programme for governors comprises the provision of a comprehensive induction pack, a visit and tour of the school (including a meeting with the Headteacher) and enrolment on the Governance Introductory Course provided by Oxfordshire County Council. Further training of governors is considered regularly by the governing body's policy and planning group which makes periodic recommendations to the governing body and individual governors. In 2012, the Governors completed an NGA Skills Audit, the results of which are being used to inform ongoing governor training.

Organisational Structure

The governors are responsible for the strategic direction of the School and for the appointment of the Headteacher. They have delegated management of the School to the Headteacher.

At Gillotts School the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of committees, as defined in the terms of reference of the committees.

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Governors' Annual Report

Year ended 31 August 2013

Risk Management

The major risks of the Academy Trust have been identified and reviewed by the Governors and summarised in the internal document 'Organisational Risk Assessment'. The major risks identified are:

Category	Risk	Comment	Remedial action identified
Strategic	Obsolescence of ICT hardware and software	Technology moves very quickly and it is very difficult to be confident of requisitioning the most effective and value for money ICT supplies/services to meet current requirements and to future proof for the inevitable developments going forward. This links to the below since having sufficient funding to future proof is key to successfully managing the risk.	ICT upgrade strategy and financial viability regularly reviewed.
Financial	Risk that equipment cannot be fully replaced at the right time when it requires upgrading due to insufficient funding	In addition to ICT, this applies to all assets that would require immediate replacement in the event of failure. The heating system and all buried building services are at risk of imminent failure.	We are improving the asset registration to develop a realistic and manageable replacement programme for all school assets. Application(s) to EFA for emergency capital funding.
Management	Risk of school closure	Due to the restricted affordability to repair buried building services at risk of imminent failure, there is a possibility of school closure should the heating and/or drains fail.	

Connected Organisations, including Related Party Relationships

Gillotts School is a single converter academy and is not part of any federation.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of Gillotts School to provide education for students between the ages of 11 and 16.

Objectives, Strategies and Activities

In conversion to academy status the Governing Body determined to maintain the traditional ethos, values, standards and achievements of the school, whilst continuing to work to fulfil the school's medium and long term development plans.

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Governors' Annual Report

Year ended 31 August 2013

The aims of the school rest on the following ethos and values:

- As individuals, we value everyone as an individual, capable of growth, change and development; self-respect; self-belief; courage, humour; honesty; integrity; dedication; commitment; generosity of spirit; flexibility; vision; initiative; open-mindedness
- In our professional relationships with each other, we value all staff, whatever their role; clarity in determining roles and responsibilities; respect for the unique contribution of different parts of the curriculum; effective communication; transparency; teamwork; good timekeeping; pride in our achievements; professional development; confidence in each other's support
- In our relationships with our students, we value justice; equality; mutual respect; fairness; consistency; courtesy; high expectations; trust; achievement
- In the experience of learning in our school, we value the joy of learning; creativity; a spirit of enquiry; risk-taking; exploration of ideas; challenge; raising aspiration; inclusion; hard work; celebration of achievement; freedom to express ideas and views; opportunities for reflection; sense of purpose; inventiveness; independence; rigour; mistakes as means of learning
- In our capacity as a community school, we value partnership with parents, governors and the wider community; lifelong learning; human rights; preparing young people to become effective, responsible citizens; skills for life and for work
- In our environment, we value an atmosphere conducive to learning; safety; respect for property; healthy living

Gillotts is a high performing school, committed to innovation and development. Students make very good progress and achieve high academic standards as a consequence of the commitment and professionalism of our staff, and of the quality of the overall school experience. We celebrate achievement in the widest sense and see everyone as an individual, capable of growth, change and development. We seek to communicate the joy of learning, fostering creativity, a spirit of enquiry, and an independence of mind. Students and staff form a happy and caring community which takes pride in personal excellence in all spheres. Working in partnership with parents, we support young people to become lifelong learners as well as happy, effective and responsible citizens, equipped with the skills for life and for work. We are proud of the success we achieve together and strive to reach new heights.

The primary function of the school is to serve its students and the local community in the best possible way. Bearing this in mind, together with the overall target of being assessed as an Outstanding School by Ofsted, the Governing Body and the School will work together:

- Aim 1: Primarily, to improve performance through inspiring teaching and learning. Sustain the recent upward trend so that Gillotts is securely within the top 20% of schools, using progress indicators as benchmarks. In order to achieve this target we would expect 90% of the cohort to achieve 5A* - C at GCSE or its equivalent (with 80% achieving this target including English and Maths) and thus be able to access Level 3 training/education.
- Aim 2 : To develop further our distinctive curriculum offer ensuring that 21st Century technology is used effectively as a learning and communication tool
- Aim 3 : To promote personal development by the provision of outstanding support and guidance
- Aim 4 : To provide a built environment fit for the purpose of 21st. Century Teaching and Learning
- Aim 5 : To promote collaborative working

Development Plan objectives for the Academic Year 2012/13:

Strategies are contained with the full School Development Plan, available from the school.

Gillotts School, Company number 07954417 Company Limited by Guarantee

Governors' Annual Report

Year ended 31 August 2013

Public Benefit

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The key public benefit delivered by Gillotts School is the maintenance and development of the high quality education provided by the school to the young people of Henley-on-Thames and the surrounding area. In doing this, Gillotts School not only offers a broad based academic education but also aims to educate the whole individual. A very wide range of extra curricular activities, educational trips, visits and exchange programmes are offered and undertaken.

Achievements and Performance

Ofsted inspection outcomes

- Ofsted published its report on Gillotts on 5 July 2012. The school was inspected on 13 and 14 June.
- Ofsted recognised that Gillotts is a good school, in all that we do. The report confirmed that, since the last inspection in March 2007, standards had risen, the quality of teaching had improved, and the quality of leadership of all staff had strengthened.
- We were particularly pleased that the inspectors recognised the commitment that the students show to one another, and to building a safe and cohesive community. As the report says: *'The school's motto, 'non nobis solum' ('not by ourselves alone'), lives strongly in students' good behaviour, their commitment to one another and eagerness to achieve highly together.*
- The report recognised that there is much good practice in the school. Ofsted challenged us to improve further by using this to strengthen the proportion of outstanding teaching and maximise the proportion of A* and A grades at GCSE. We agreed that these are the right goals to work towards and we know that all the staff are fully committed to achieving them.
- The full Ofsted Report is available for download at www.ofsted.gov.uk

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that Gillotts School has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Key Financial Performance Indicators

Financial performance is tracked throughout the year against an approved budget. The Governors monitor and review the academy finances in detail under broad headings.

The end of year position compared to the original budget is shown below:

Income	+64,356	+1.43%
Staff related costs	-23,159	-0.68%
Premises & Facilities	+45,339	+9.7%
Other	+22,350	+4.05%

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Governors' Annual Report

Year ended 31 August 2013

Financial Review

Operating and Financial review for the year

Most of the school's income is obtained from the DfE via the EFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The school successfully bid for £310,000 for the refurbishment of the school gym and £148,000 for the replacement of roofs from the Academies Capital Maintenance Fund (ACMF) round 1, 2013/14. In January 2013 following the failure of the heating due to a collapsed buried service and the failure of a run of drainage pipe, the school bid for emergency funding for repairs and received £37,916. Additionally, in the light of the heating failure, and a subsequent independent report indicating all external areas were at similar risk of failure, a further emergency bid to the EFA resulted in a contribution of £75,000 towards the cost of replacement. No other specific Capital Grants were awarded to the school by the DfE to provide fixed assets apart from the Devolved Formula Capital Grant (DFC). In accordance with the Charities SORP 2005, the DFC received is shown in the Statement of Financial Activities as restricted fixed asset funds.

On conversion on 1 March 2012, all of the fixed assets of the former foundation school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period covered by this report was covered by the GAG received from the DfE and other income such as voluntary income and activities for generating funds.

The Academy Internal Financial Procedures are reviewed annually at the spring meeting of the Finance and Resources Committee.

Financial and Risk Management Objectives and Policies

The Academy Trust practises through its board, namely the governing body and the constituted committees, risk management principles. Any major risks highlighted at any committee are brought to the main board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the governing body collectively, whilst more minor risks are dealt with by the school's Leadership Team.

Principal Risks and Uncertainties

Major risks have been identified earlier in this report.

Other principal risks facing the Academy are:

Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unforeseen increase in costs or major capital repairs due to building/site

- Failures. Mitigated by the fact the Governors and the Leadership team are already considering a range of initiatives to reduce costs in the medium to long term.
- Premises risk – It is not possible to ascertain with any degree of accuracy the risk of failure of areas of the premises that cannot be easily seen or regularly monitored (for instance buried services, roofs).

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Governors' Annual Report

Year ended 31 August 2013

Mitigated by the fact that in 2012/13 the school commissioned a site condition survey which provides comprehensive information to inform premises priorities over the next 10 years.

- Personnel risk – the principal risks associated with personnel are related to succession planning, recruitment, retention and training. Mitigated by the fact the Leadership Team all have discrete responsibilities so the loss of a member of staff will impact on the rest of the team until a new appointment is made and working effectively. There are very thorough recruitment processes - at least two members of staff/governor are involved with the interview process. All staff matters are referred to/managed by the Headteacher in the first instance who is fully experienced in the need as to how and when to refer to HR professionals.

Reserves Policy

At 31 August 2013 the total funds were in surplus by £14,299,589, comprising:

Unrestricted		35,629
Restricted:	Fixed asset funds	14,446,168
	Other	442,792
	Pension reserve	(625,000)
		£14,299,589

The Governors aim to maintain reserves between 5% and 10% of GAG as an appropriate cushion. The net current assets for the year to 31 August 2013 have increased by £114,573, equivalent to 2.32% of the total income, and this has allowed the governors to continue with their policy to accumulate an unallocated cash balance. From the increase in reserves, £80,000 has been added to the unallocated cash balance held at 31 August 2012 so that a total of £200,000 is held as part of the net current assets. If funding allows, the aim of the Governors is to increase this reserve to meet future working capital requirements.

The deficit on the pension reserve relates to the support staff pension scheme (Local Government Pension Scheme (LGPS)) where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 15. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors, and represent less than one month's worth of Academy expenditure. The Governors' Finance & Resources Committee has reviewed these reserve levels and believes they should provide sufficient working capital to cover delays between spending and receipt of grants, although possibly insufficient to allow for urgent premises issues which may require an application to the EFA.

Investment Policy

Apart from the cash held for the operation of the school, Gillotts School has no realisable investments. With respect to its cash holdings the Governing Body has adopted a low risk strategy. Whilst interest rates are so low, it is not time cost effective to regularly review cash balances and transfer any excess funds to a deposit account and back again to cover expenditure. The school's bankers pay interest to the school on its current account balances and any financial benefit to regularly transferring funds is outweighed by the time commitment required. Should interest rates rise, this would be revisited.

Funds held as Custodian Trustee on behalf of others

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Governors' Annual Report

Year ended 31 August 2013

During the period from 1 September 2012 to 31 August 2013, Gillotts School did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

Plans for Future Periods

Gillotts School is proud of its successes and proud of its identity. We believe in achievement for all and want to secure the best outcomes for all our learners, without exception. We want to continue to raise students' expectations of themselves and develop them as autonomous learners, ready for the challenges ahead.

We will build on our success by creating a highly inclusive and integrated community by enhancing the opportunities for interaction and engagement with the school beyond the planned curriculum, encompassing students' social time within the school day and enhancing opportunities for the use of the school site by the community. Further we would embrace opportunities to extend our success with vertical integration to create a 3-16 all-through school, with strengthened integration (real and virtual) with Henley College, for 14-19 provision.

Teaching and learning are at the heart of this school. We have had an explicit and visible commitment to personalisation of learning since 2005, when the school re-structured around Hargreaves' personalising learning gateways. As personalisation has become embedded, responsibility for many of these gateways now rests with the Leadership Team, recognising the centrality of the concept. The gateways (Assessment for Learning, Learning to Learn, Student Voice, Curriculum, ICT, Mentoring, Advice and Guidance, Workforce Remodelling, School Organisation) remain core to the School Development Plan. However we see Assessment for Learning as the single most powerful lever for improved teaching and learning, and hence improved attainment and progress. We are developing an increasingly personalised approach to CPD recognising that teachers, as professionals, are the best placed to drive their own development.

We will build on our outstanding curriculum, underpinned by a deep understanding of student progress and a commitment to developing the wider skills valued by higher education and employers.

We see 21st century learning anchored in student-student collaboration with the teacher as 'the guide by the side not the sage on the stage', with seamless, embedded access to ICT to support interaction, collaboration and feedback. We will break down the artificial boundary of the limits of the school day to support the integration of students' learning in school, at home and on the move. A comprehensive and flexible ICT solution is an essential means to this end. We see every student with permanent access to a handheld device (not necessarily owned by the school) to motivate and support learning.

We have an inspirational site – 40 acres with extensive woodland, on the site of the local manor house, parts of which (including two associated cottages) remain. The school is set on the fringes of the town with extensive

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Governors' Annual Report

Year ended 31 August 2013

Plans for Future Periods *(continued)*

views across the Thames valley. We want to use the stunning environment to help excite and inspire and students and staff to move the school's performance to the next level, making it an outstanding place to study and work with results securely in the top 10% of schools nationally. To achieve this vision, we need to redevelop the whole school environment.

Since September 2008, the school has offered and maintained the Full Core of Extended Services (ie, a safe place to be, a varied menu of activities, swift and easy referral, community access, parenting support). We are also co-located with Henley Leisure Centre. Building on these successes, we seek to work with the Local Authority and other providers in developing the co-location of services, in support of the principle of bringing services closer to the population. We will continue to develop the support we offer to parents to enable them in turn to support us as they work alongside their children.

Redeveloping the school environment will enable us to achieve all this by allowing us to maximise the potential of the site. It will enable us to meet the challenges we face through having buildings that are not fit for purpose (eg, high maintenance and energy bills, subject teams spread across the school) and so allow us to focus on our core priority of continuously improving outcomes for Henley's young people.

Auditors

In so far as the governors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the governors 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.

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by order of the members of the Governing Body on 10 December 2013 and signed on its behalf by:

.....
Nicholas Walden
Chair

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Governance Statement

Year ended 31 August 2013

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Gillotts 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, 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 Gillotts School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The Governing Body recognised that attendance at meetings can be difficult for working governors and recognises that, notwithstanding attendance, all governors perform their duties to a high standard and contribute effectively to the School.

The information on governance included here supplements that described in the Governor's Annual Report and in the Responsibilities of the Governors statement. The Governing Body has formally met four times. Attendance is as follows:

Director	Meetings attended	Out of a possible
Jonathan Allen	1	4
Edmund Atkinson	1	1
Conrad Bodman	3	3
Carol Brown	0	1
Catharine Darnton	4	4
Gill Dodds	3	4
Rosemary Edginton	3	4
Tom Espley	1	4
Jane Fenn	2	4
Alison Flett	4	4
David Gorsuch	4	4
Roger Grant	4	4
Steven Miller	2	4
John Print	4	4
Darrel Poulos	4	4
Hayley Rogers	2	4
Linda Sanderson	1	3
Caroline Thompson	3	3
Nick Walden	3	4
Karen Watkins	0	2
Chris Wermann	3	3
Susan White	2	4

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Governance Statement (continued)

Year ended 31 August 2013

The Finance & Resources Committee is a sub committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. Attendance at the meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Catharine Darnton	4	4
Rosemary Edginton	4	4
Jane Fenn	4	4
Steve Miller	1	4
John Print	4	4
Caroline Thompson	3	3
Nicholas Walden	4	4
Karen Watkins	1	1
Chris Wermann	2	2

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of School 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 Gillotts School for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which Gillotts School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- Regular reviews by the Finance & Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Governance Statement *(continued)*

Year ended 31 August 2013

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed the Chair of the Finance & Resources Committee, a qualified accountant, to receive and report to the Finance & Resources Committee of the Governing Body on the termly checking reports provided by MacIntyre Hudson. This role, with support from MacIntyre Hudson, includes giving advice on financial matters and undertaking a range of checks on the school's financial systems. These checks have been carried out on an approximately quarterly basis. The appointed governor reports on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of Effectiveness

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

- Termly testing of internal controls
- The work of the external auditor
- The financial management and governance assessment process
- The work of senior managers within the school 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 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 Governing Body on 10 December 2013 and signed on its behalf by:

.....
Nicholas Walden
Chair

.....
Catharine Darnton
Accounting Officer

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Statement on Regularity, Propriety and Compliance

Year ended 31 August 2013

As accounting officer of Gillotts School I have considered my responsibility to notify the academy trust's Governing Body 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's Governing Body 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.

.....
Catharine Darnton
Accounting Officer

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Statement of Governors' Responsibilities

Year ended 31 August 2013

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 Governors 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 Governors 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 Governors 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 10 December 2013 and signed on their behalf by:

.....
Nicholas Walden
Chair of Trustees

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Independent Auditor's Report to the Members of Gillotts School

Year ended 31 August 2013

We have audited the financial statements of Gillotts School for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, Accounting Policies 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 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditors

As explained more fully in the Responsibilities of the Governors (set out on page 15), the Governors (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 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 trust'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 Governors' Annual 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 trust's affairs as at 31 August 2013 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Independent Auditor's Report to the Members of Gillotts School *(continued)*

Year ended 31 August 2013

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

BIANCA SILVA ACA
(Senior Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Statutory Auditor and Chartered Accountants

20 December 2013

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

**Independent Reporting Accountant's Assurance Report on Regularity to Gillotts School and the
Education Funding Agency**

Year ended 31 August 2013

In accordance with the terms of our engagement letter dated 12 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gillotts School during the year to 31 August 2013 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 Gillotts School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Gillotts 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 Gillotts School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Gillotts School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Gillotts School's funding agreement with the Secretary of State for Education dated 01 March 2012 and the Academies Financial Handbook, extant from 1 September 2012, 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. 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 year to 31 August 2013 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 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.

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

**Independent Reporting Accountant's Assurance Report on Regularity to Gillotts School and the
Education Funding Agency (continued)**

Year ended 31 August 2013

Approach (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;

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 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

20 December 2013

MHA MACINTYRE HUDSON
Chartered Accountants

Gillotts School, Company number 07954417
Company Limited by Guarantee

Statement of Financial Activities (Incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Year ended 31 August 2013

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds Year to 31 Aug 13 £	Total Funds 6 months to 31 Aug 12 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	1	125	–	–	125	672
Transfer on conversion	1	–	–	–	–	14,548,737
		<u>125</u>	<u>–</u>	<u>–</u>	<u>125</u>	<u>14,549,409</u>
Activities for generating funds	2	23,199	4,603	–	27,802	14,661
Investment income	3	1,066	–	–	1,066	329
Incoming resources from charitable activities:						
Funding for academy's educational operations	4	–	4,642,147	267,730	4,909,877	2,363,232
Total incoming resources		<u>24,390</u>	<u>4,646,750</u>	<u>267,730</u>	<u>4,938,870</u>	<u>16,927,632</u>
Resources expended						
Charitable activities						
Charitable expenditure:	6	4,079	4,459,591	216,699	4,680,369	2,280,720
Governance costs	7	–	25,074	–	25,074	9,750
Pension deficit on conversion						513,000
Total resources expended		<u>4,079</u>	<u>4,484,665</u>	<u>216,699</u>	<u>4,705,443</u>	<u>2,803,470</u>
Net incoming resources before transfers	8	<u>20,311</u>	<u>162,085</u>	<u>51,031</u>	<u>233,427</u>	<u>14,124,162</u>
Gross transfers between funds		–	(104,824)	104,824	–	–
Net income for the year		<u>20,311</u>	<u>57,261</u>	<u>155,855</u>	<u>233,427</u>	<u>14,124,162</u>
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes		–	(18,000)	–	(18,000)	(40,000)
Net movement in funds		<u>20,311</u>	<u>39,261</u>	<u>155,855</u>	<u>215,427</u>	<u>14,084,162</u>
Reconciliation of funds						
Total funds brought forward at 1 September 2012		15,318	(221,469)	14,290,313	14,084,162	–
Total funds carried forward at 31 August 2013		<u>£35,629</u>	<u>£(182,208)</u>	<u>£14,446,168</u>	<u>£14,299,589</u>	<u>£14,084,162</u>

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

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

The accounting policies and notes on pages 23 to 43 form part of these financial statements.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Balance Sheet

31 August 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	12	14,446,168	14,290,313
Current assets			
Debtors	13	282,917	131,187
Cash at bank		577,107	665,621
Creditors: amounts falling due within one year	14	<u>860,024</u> <u>(381,603)</u>	<u>796,808</u> <u>(432,959)</u>
Net current assets		478,421	363,849
Total assets less current liabilities		14,924,589	14,654,162
Provisions for liabilities			
Pension scheme liability	15	<u>(625,000)</u>	<u>(570,000)</u>
Net assets including pension liability		£14,299,589	£14,084,162
Funds of the academy trust:	17		
Restricted income funds:			
Fixed asset fund		14,446,168	14,290,313
General funds		442,792	348,531
Pension reserve	15	<u>(625,000)</u>	<u>(570,000)</u>
Total restricted income funds		14,263,960	14,068,844
Unrestricted income funds:			
General fund		<u>35,629</u>	<u>15,318</u>
Total funds		£14,299,589	£14,084,162

These financial statements were approved by the Governors, and authorised for issue on 10 December 2013 and are signed on their behalf by:

.....
 Nicholas Walden
 Chair

.....
 Catharine Darnton
 Accounting Officer

The accounting policies and notes on pages 23 to 43 form part of these financial statements.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Cash Flow Statement

Year ended 31 August 2013

	Note	Year to 31 Aug 13		6 months to 31 Aug 12
		£	£	£
Net cash inflow from operating activities	22		282,974	684,838
Returns on investments and servicing of finance	23			
Interest received		<u>1,066</u>		<u>329</u>
Net cash inflow from returns on investments and servicing of finance			1,066	329
Capital expenditure	24		(372,554)	(19,546)
			<u>194,942</u>	<u>665,621</u>
Less: cash transferred on conversion			<u>–</u>	<u>(192,808)</u>
(Decrease)/increase in cash in the year			<u>£(88,514)</u>	<u>£472,813</u>

Reconciliation of net cash flow to movement in net funds

	2013 £	2012 £
On conversion	–	192,808
Net funds at 1 September 2012	665,621	–
(Decrease)/increase in cash in the year	<u>(88,514)</u>	<u>472,813</u>
Net funds at 31 August 2013	<u>£577,107</u>	<u>£665,621</u>

The accounting policies and notes on pages 23 to 43 form part of these financial statements.

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Accounting Policies

Year ended 31 August 2013

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Charity Commission Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005), the 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.

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 received 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 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.

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.

Costs of generating funds

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

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Accounting Policies *(continued)*

Year ended 31 August 2013

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 governors' meetings and reimbursed expenses.

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 Education Funding Agency, Department for Education or 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 Education Funding Agency.

Fixed assets

Assets costing £500 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.

Assets transferred at inception have been included as an original donation within the Statement of Financial Activities. Land and buildings are stated at their depreciated replacement cost based on a professional valuation and other assets are stated at their depreciated cost as at the date of conversion.

Depreciation on fixed 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.

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.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% on cost
Equipment	-	10% to 20% on cost
Computer equipment	-	25% on cost
Motor vehicles	-	20% on cost

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Accounting Policies *(continued)*

Year ended 31 August 2013

Operating lease agreements

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

Pension costs

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 15, 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.

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 Academy 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.

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.

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Accounting Policies *(continued)*

Year ended 31 August 2013

Conversion to academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the School for £nil consideration and has been accounted for under the acquisition accounting method.

Freehold land and buildings transferred on conversion have been valued at estimated depreciated replacement cost and other assets and liabilities transferred from the predecessor school to the Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their estimated depreciated replacement cost/fair value is in accordance with the accounting policies set out for the academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income except for the pension liability which is recognised as a cost in the Statement of Financial Activities. The amounts have been analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 19.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

1. Voluntary income

	Unrestricted Funds £	Total Funds Year to 31 Aug 13 £	Total Funds 6 months to 31 Aug 12 £
Transfer on conversion	–	–	14,548,737
Donations	125	125	410
Parental contributions	–	–	262
	<u>£125</u>	<u>£125</u>	<u>£14,549,409</u>

2. Incoming resources from activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds Year to 31 Aug 13 £	Total Funds 6 months to 31 Aug 12 £
Rental income	10,636	–	10,636	576
School fund	12,563	4,603	17,166	14,085
	<u>£23,199</u>	<u>£4,603</u>	<u>£27,802</u>	<u>£14,661</u>

3. Investment income

	Unrestricted Funds £	Total Funds Year to 31 Aug 13 £	Total Funds 6 months to 31 Aug 12 £
Bank interest receivable	£1,066	£1,066	£329
	<u>£1,066</u>	<u>£1,066</u>	<u>£329</u>

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

4. Funding for academy's educational operations

	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds Year to 31 Aug 13 £	Total Funds 6 months to 31 Aug 12 £
DfE/EFA grants				
General Annual Grant (GAG)	4,262,285	–	4,262,285	2,166,552
Pupil Premium	82,136	–	82,136	16,361
Devolved formula capital	–	18,867	18,867	19,154
Capital maintenance fund	–	248,863	248,863	11,000
Other DfE revenue grants	24,160	–	24,160	–
	<u>4,368,581</u>	<u>267,730</u>	<u>4,636,311</u>	<u>2,213,067</u>
Other Government grants				
SEN income	45,647	–	45,647	7,490
Other local authority income	44,155	–	44,155	49,006
Non-government income	67,011	–	67,011	–
	<u>156,813</u>	<u>–</u>	<u>156,813</u>	<u>56,496</u>
Other income				
Trip income	116,753	–	116,753	93,670
	<u>116,753</u>	<u>–</u>	<u>116,753</u>	<u>93,670</u>
	<u>£4,642,147</u>	<u>£267,730</u>	<u>£4,909,877</u>	<u>£2,363,233</u>

5. Resources expended

	Staff costs £	Premises £	Other costs £	Total Funds Year to 31 Aug 13 £	Total Funds 6 months to 31 Aug 12 £
Academy's educational operations:					
Direct costs	2,908,492	177,358	411,960	3,497,810	1,754,027
Allocated support costs	516,891	438,699	226,969	1,182,559	526,693
	<u>3,425,383</u>	<u>616,057</u>	<u>638,929</u>	<u>4,680,369</u>	<u>2,280,720</u>
Governance costs including allocated support costs	–	–	25,074	25,074	9,750
	<u>£3,425,383</u>	<u>£616,057</u>	<u>£664,003</u>	<u>£4,705,443</u>	<u>£2,290,470</u>

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

6. Charitable activities - Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds Year to 31 Aug 13 £	Total Funds 6 months to 31 Aug 12 £
Direct costs					
Teaching and educational support staff	–	2,885,734	–	2,885,734	1,426,756
Depreciation	–	–	216,699	216,699	101,883
Educational consultancy	–	4,165	–	4,165	7,162
Educational supplies	–	113,756	–	113,756	65,971
Examination fees	–	51,948	–	51,948	29,630
ICT learning resources	–	14,686	–	14,686	–
Staff development	–	11,440	–	11,440	4,042
Other direct costs	–	174,593	–	174,593	77,960
Travel expenses	–	2,030	–	2,030	1,262
Agency supply teacher costs	–	22,758	–	22,758	39,361
	<u>–</u>	<u>3,281,110</u>	<u>216,699</u>	<u>3,497,809</u>	<u>1,754,027</u>
Allocated support costs					
Support staff costs	–	516,891	–	516,891	227,037
Administrative supplies	215	28,860	–	29,075	348
Insurance	–	19,434	–	19,434	21,973
Recruitment and support	–	20,824	–	20,824	–
Water and sewerage	–	5,330	–	5,330	2,635
Waste disposal	–	9,900	–	9,900	–
Rent payable	–	48,948	–	48,948	20,395
Catering	–	18,150	–	18,150	7,423
Maintenance of premises and equipment	–	194,869	–	194,869	130,411
Cleaning	–	79,401	–	79,401	38,295
Light and heat	–	62,060	–	62,060	23,483
Rates	–	18,757	–	18,757	7,420
Bought in professional services and other ICT consultancy	3,864	118,445	–	122,309	43,172
Other support costs	–	36,612	–	36,612	4,101
	<u>4,079</u>	<u>1,178,481</u>	<u>–</u>	<u>1,182,560</u>	<u>526,693</u>
	<u>£4,079</u>	<u>£4,459,591</u>	<u>£216,699</u>	<u>£4,680,369</u>	<u>£2,280,720</u>

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

7. Governance costs

	Restricted Funds £	Total Funds Year to 31 Aug 13 £	Total Funds 6 months to 31 Aug 12 £
Accountancy fees	1,999	1,999	2,000
Audit fees	23,075	23,075	7,750
	<u>£25,074</u>	<u>£25,074</u>	<u>£9,750</u>

8. Net incoming/(outgoing) resources for the year

This is stated after charging:

	Year to 31 Aug 13 £	6 months to 31 Aug 12 £
Staff pension contributions	416,490	197,635
Operating leases		
Land and buildings	20,395	35,795
Fees payable to auditor		
Audit	23,075	7,750
Other services	6,673	2,000
Depreciation	<u>216,699</u>	<u>101,883</u>

9. Staff costs and emoluments

	Year to 31 Aug 13 £	6 months to 31 Aug 12 £
Wages and salaries	2,773,705	1,322,492
Social security costs	199,088	94,305
Other pension costs	416,490	197,635
	<u>3,389,283</u>	<u>1,614,432</u>
Agency supply teacher costs	22,758	39,361
Compensation payments	13,342	—
	<u>£3,425,383</u>	<u>£1,653,793</u>

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

9. Staff costs and emoluments (continued)

Particulars of employees:

The average number of persons (including senior management team) employed by the academy trust during the year,

	Year to 31 Aug 13	6 months to 31 Aug 12
Teachers	48	49
Administration and support	34	33
Management	5	6
	<u>87</u>	<u>88</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	Year to 31 Aug 13	6 months to 31 Aug 12
£60,000 to £69,999	2	2
£80,000 to £89,999	-	1
£90,000 to £99,999	1	-
	<u>3</u>	<u>3</u>

Three of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for these staff amounted to £30,502.

10. Governors' remuneration and expenses

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of the governors' remuneration in the period to 31 August 2013 was as follows:

	Year to 31 Aug 13	6 months to 31 Aug 12
C Darnton (Head)	£90,000-£99,999	£40,000-£44,999
Staff governor 1	£0,000-£4,999	£0
Staff governor 2	£10,000-£14,999	£5,000-£9,999
Staff governor 3	£35,000-£39,999	£15,000-£19,999
Staff governor 4	£40,000-£44,999	£20,000-£24,999

The Academy made pension contributions at 14.1% for the staff governors, except staff governor 1 (nil).

No expenses were paid to governors for the year to 31 August 2013 (2012: £nil)

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Notes to the Financial Statements

Year ended 31 August 2013

11. 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 £5,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,445 (2012: £1,445).

12. Tangible fixed assets

	Freehold property £	Equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2012	14,239,666	45,033	79,691	27,806	14,392,196
Additions	308,485	60,614	3,455	–	372,554
At 31 August 2013	<u>14,548,151</u>	<u>105,647</u>	<u>83,146</u>	<u>27,806</u>	<u>14,764,750</u>
Depreciation					
At 1 September 2012	88,454	3,130	7,518	2,781	101,883
Charge for the year	177,357	13,210	20,571	5,561	216,699
At 31 August 2013	<u>265,811</u>	<u>£16,340</u>	<u>£28,089</u>	<u>£8,342</u>	<u>£318,582</u>
Net book value					
At 31 August 2013	<u>£14,282,340</u>	<u>£89,307</u>	<u>£55,057</u>	<u>£19,464</u>	<u>£14,446,168</u>
At 31 August 2012	<u>£14,151,212</u>	<u>£41,903</u>	<u>£72,173</u>	<u>£25,025</u>	<u>£14,290,313</u>

13. Debtors

	Year to 31 Aug 13 £	6 months to 31 Aug 12 £
VAT recoverable	136,860	39,215
Prepayments and accrued income	146,057	91,972
	<u>£282,917</u>	<u>£131,187</u>

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

14. Creditors: Amounts falling due within one year

	Year to 31 Aug 13 £	6 months to 31 Aug 12 £
Trade creditors	65,803	85,866
Taxation and social security	106,399	105,324
Other creditors	–	22,085
Accruals and deferred income	209,401	219,684
	<u>£381,603</u>	<u>£432,959</u>

Deferred income

	Year to 31 Aug 13 £	6 months to 31 Aug 12 £
Deferred income at 1 September 2012	58,938	–
Resources deferred in the year	63,569	58,938
Amounts released from previous years	(58,938)	–
Deferred income at 31 August 2013	<u>£63,569</u>	<u>£58,938</u>

Deferred income relates to the EFA rates (2012: insurance) reimbursement received, and monies received during the period for school trips which will take place after the period end.

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Notes to the Financial Statements

Year ended 31 August 2013

15. Pensions 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 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act. The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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.

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Notes to the Financial Statements

Year ended 31 August 2013

15. Pensions and similar obligations (continued)

The last valuation of the TPS related to the period 1 April 2001 to 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 that 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

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.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

15. Pensions 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 2013 was £139,000, of which employer's contributions totalled £105,000 and employees' contributions totalled £34,000. The agreed contribution rates for future years are 19.3 per cent for employers. The contribution rate for employees is determined by reference to their full time equivalent pay as follows:-

Band	Whole time pay rate	Contribution rate
1	£0 to £13,700	5.5%
2	£13,701 to £16,100	5.8%
3	£16,101 to £20,800	5.9%
4	£20,801 to £34,700	6.5%
5	£34,701 to £46,500	6.8%
6	£46,501 to £87,100	7.2%
7	More than £87,100	7.5%

Principal actuarial assumptions

	At 31 Aug 2013	At 31 Aug 2012
Discount rate	4.7%	3.9%
Rate of increase in salaries	5.1%	4.1%
Rate of increase in pensions payment	2.9%	1.9%
Inflation – CPI	2.9%	1.9%
RPI increase	3.7%	2.7%

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Notes to the Financial Statements

Year ended 31 August 2013

15. Pensions and similar obligations (continued)

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

	At 31 Aug 13	At 31 Aug 12
Retiring today		
Males	19.2	19.0
Females	23.2	23.1
Retiring in 20 years		
Males	21.1	21.0
Females	25.1	25.0

Sensitivity analysis

	£000's	£000's	£000's
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	1,221	1,252	1,283
Projected service cost	131	135	139
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	1,204	1,252	1,300
Projected service cost	129	135	141

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

	Expected return at 31 Aug 2013	Fair value at 31 Aug 2013	Expected return at 31 Aug 2012	Fair value at 31 Aug 2012
	%	£	%	£
Equities	7.0	433,000	6.3	291,000
Bonds	4.4	25,000	3.9	30,000
Property	6.0	38,000	5.3	26,000
Cash	0.5	25,000	0.5	13,000
Gilts	3.5	75,000	2.8	43,000
Other (Hedge Funds)	5.0	31,000	6.3	26,000
Total market value of assets		627,000		429,000
Present value of scheme liabilities - funded		(1,252,000)		(999,000)
Deficit in the scheme		£ (625,000)		£(570,000)

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

15. Pensions and similar obligations (continued)

Amounts recognised in the Statement of Financial Activities

	2013	2012
	£	£
Current service cost (net of employee contributions)	127,000	55,000
Interest on obligation	42,000	20,000
Expected returns on Scheme assets	(27,000)	(10,000)
Total operating charge	£142,000	£65,000

Analysis of pension finance income/(costs)

	2013	2012
	£	£
Expected return on pension scheme assets	27,000	10,000
Interest on pension liabilities	(42,000)	(20,000)
Pension finance income/(costs)	£ (15,000)	£(10,000)

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 £58,000 loss (2012: £ 40,000 loss).

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.

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

	2013	2012
	£	£
At 1 September 2012	999,000	861,000
Current service cost	127,000	55,000
Interest on pension liabilities	42,000	20,000
Employee contributions	34,000	16,000
Actuarial gain/(loss)	62,000	47,000
Estimated benefits paid	(12,000)	–
At 31 August 2013	£1,252,000	£999,000

**Gillotts School, Company number 07954417
Company Limited by Guarantee**

Notes to the Financial Statements

Year ended 31 August 2013

15. Pensions and similar obligations (continued)

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

	2013 £	2012 £
At 1 September 2012	429,000	348,000
Expected return on pension scheme assets	27,000	10,000
Actuarial gain/loss	44,000	7,000
Employer contributions	105,000	48,000
Employee contributions	34,000	16,000
Estimated benefits paid (net of transfers in and including unfunded)	(12,000)	-
At 31 August 2013	£627,000	£429,000

Reconciliation of opening and closing deficit:

	2013 £	2012 £
At 1 September 2012	(570,000)	(513,000)
Current service cost (net of employee contributions)	(127,000)	(55,000)
Employer contributions	105,000	48,000
Other finance income/(costs)	(15,000)	(10,000)
Actuarial gain/(loss)	(18,000)	(40,000)
Deficit at 31 August 2013	£ (625,000)	£(570,000)

The five year history of experience adjustments is as follows:

	2013 £	2012 £
Present value of defined benefit obligations	(1,252,000)	(999,000)
Fair value of share of scheme assets	627,000	429,000
Deficit in the scheme	£ (625,000)	£(570,000)
Experience adjustments on share of scheme assets		
Amount (£)	44,000	7,000
Amount (%)	7	2

16. Commitments under operating leases

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as set out below.

	Assets other than Land and buildings	
	2013 £	2012 £
Operating leases which expire:		
Within 1 year	-	1,998

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

17. Funds

	Balance at 1 Sep 2012 £	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2013 £
Restricted general funds						
General annual grant (GAG)	120,507	4,262,285	(4,022,263)	–	(104,824)	255,705
Start up grant	176,087	–	–	–	–	176,087
Other DfE/EFA grants	51,937	117,296	(158,233)	–	–	11,000
LGPS - defined benefit pension scheme	(570,000)	–	(37,000)	(18,000)	–	(625,000)
Trips and other	–	267,169	(267,169)	–	–	–
	<u>(221,469)</u>	<u>4,646,750</u>	<u>(4,484,665)</u>	<u>(18,000)</u>	<u>(104,824)</u>	<u>(182,208)</u>
Restricted fixed asset funds						
DfE/EFA capital grant	14,290,313	267,730	(216,699)	–	104,824	14,446,168
	<u>14,290,313</u>	<u>267,730</u>	<u>(216,699)</u>	<u>–</u>	<u>104,824</u>	<u>14,446,168</u>
Total restricted funds	<u>14,068,844</u>	<u>4,914,480</u>	<u>(4,701,364)</u>	<u>(18,000)</u>	<u>–</u>	<u>14,263,960</u>
Unrestricted funds						
General unrestricted funds	15,318	24,390	(4,079)	–	–	35,629
Total unrestricted funds	<u>15,318</u>	<u>24,390</u>	<u>(4,079)</u>	<u>–</u>	<u>–</u>	<u>35,629</u>
Total funds	<u>14,084,162</u>	<u>4,938,870</u>	<u>(4,705,443)</u>	<u>(18,000)</u>	<u>–</u>	<u>14,299,589</u>

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

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

- General annual grant to be spent on educational purposes as specified by the EFA.
- LGPS defined benefit pension scheme deficit represents the future pension funding requirements which will be met from future employer pension contributions.
- Restricted fixed assets are funds representing the amounts invested in fixed assets
- Devolved formula capital is EFA grant monies to be spent on premises

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 2013.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

18. Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset fund	Total
	£	£	£	£
Tangible fixed assets	–	–	14,446,168	14,446,168
Current assets	35,629	824,395	–	860,024
Current liabilities	–	(381,603)	–	(381,603)
Pension scheme liability	–	(625,000)	–	(625,000)
	<u>£35,629</u>	<u>£(182,208)</u>	<u>£14,446,168</u>	<u>£14,299,589</u>

19. Conversion to an Academy Trust

On 1 March 2012 the School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Gillotts School from the Oxfordshire Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

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

	Unrestricted funds	Restricted general fund	Restricted fixed asset fund	Total
	£	£	£	£
Tangible fixed assets				
Freehold/leasehold land and buildings	–	–	14,239,666	14,239,666
Other tangible fixed assets	–	–	132,984	132,984
Budget surplus/(deficit) on LA funds	–	142,110	–	142,110
Budget surplus/(deficit) on other school funds	–	50,698	–	50,698
LGPS pension surplus/(deficit)	–	(513,000)	–	(513,000)
Other identified assets and liabilities	–	(16,721)	–	(16,721)
Net assets/(liabilities)	<u>–</u>	<u>£(336,913)</u>	<u>£14,372,650</u>	<u>£14,035,737</u>

The above net assets include £192,808 that were transferred as cash.

As a foundation school, the predecessor school owned the land prior to conversion to academy trust status.

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

20. Ultimate controlling party

There is no ultimate controlling party.

21. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

22. Reconciliation of net incoming resources before transfers to net cash inflow from operating activities

	Year to 31 Aug 13 £	6 months to 31 Aug 12 £
Net incoming resources before transfers	233,427	14,124,162
Fixed assets transferred from local authority on conversion	–	(14,372,650)
Grants received	(267,730)	–
Depreciation	216,699	101,883
Pension transferred from local authority on conversion	–	513,000
Interest receivable	(1,066)	(329)
FRS 17 pension cost less contributions payable	22,000	7,000
FRS 17 pension finance cost	15,000	10,000
Decrease/(increase)in debtors	(151,730)	(131,187)
(Decrease)/increase in creditors	(51,356)	432,959
Net cash inflow from operating activities	£15,244	£684,838

23. Returns on investments and servicing of finance

	Year to 31 Aug 13 £	6 months to 31 Aug 12 £
Interest received	1,066	329

24. Capital expenditure

	Year to 31 Aug 13 £	6 months to 31 Aug 12 £
Purchase of tangible fixed assets	372,554	(19,546)
Less: grants received	(267,730)	–
Net cash outflow from capital expenditure and financial investment	£104,824	£(19,546)

Gillotts School, Company number 07954417
Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2013

25. Analysis of changes in net funds

	1 Sep 12	Cash flows	31 Aug 13
	£	£	£
Cash at bank	£665,621	£ (88,514)	£577,107

26. 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.