REGISTERED COMPANY NUMBER: 08066279 (England and Wales)

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 FOR ST OSMUND'S CE MIDDLE SCHOOL

Rothmans Audit LLP
Chartered Accountants
Statutory Auditors
10 Little Park Farm Road
Segensworth West
Fareham
Hampshire
PO15 5TD

ST OSMUND'S CE MIDDLE SCHOOL

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FOR THE YEAR ENDED 31 AUGUST 2014

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ST OSMUND'S CE MIDDLE SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2014

TRUSTEES	Mrs L Bainbridge * Ms J White Mr D Bowen Mr P Browne Ms J Denham Mrs J Jeffery Mr N Power * Mr M Scott * Mrs A Stone (resigned 31.1.14) * Ms S Wilson Mrs J Lang (appointed 31.10.13) * Mr J Williams (appointed 1.1.14) Canon T Woodhouse (appointed 1.4.14) Mrs C Pugh (appointed 1.10.13) Mr A Holt (appointed 1.10.14)

* members of the finance and premises committee

COMPANY SECRETARY	Mrs J Ray
REGISTERED OFFICE	Barnes Way Rothesay Road Dorchester Dorset DT1 2DZ
REGISTERED COMPANY NUMBER	08066279 (England and Wales)
AUDITORS	Rothmans Audit LLP Chartered Accountants Statutory Auditors 10 Little Park Farm Road Segensworth West Fareham Hampshire PO15 5TD
BANKERS	Lloyds TSB 49 South Street Dorchester Dorset DT1 1DW
SOLICITORS	Parker Bullen Solicitors 8 Newbury Street Andover Hampshire SP10 1DW

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2014

SENIOR LEADERSHIP TEAM	Mr J Williams, Head teacher Mr S Beet, Assistant Headteacher Ms F Brady, Assistant Headteacher Mr. P Absolom, Leader of Pupil Well Being Mrs A Boon, Leader of Staff learning Mrs J Ray, Business Manager

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2014

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The trustees of St Osmund's Middle School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Osmund's Middle School Academy.

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

Members' Liability

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

Trustees' Indemnities

The school has taken out appropriate indemnity insurance to protect the Trustees' interests.

Method of Recruitment and Appointment or Election of Trustees

Although there is not a limit on the number of Governors on the Governing body the Church/foundation governors have always to be in a majority.

The Team Rector for the Dorchester Benefice is a Governor ex officio.

The Headteacher of the school is a Governor, ex officio.

A maximum of two Staff Governors and two Parent Governors may be appointed. Any contested election of Staff Governors or Parent Governors is held by secret ballot. A Parent Governor must be the parent of a pupil registered at the school at the time of election. A Staff Governor must be a member of the staff of the school at the time of election and must cease to be a Governor on leaving the staff of the school.

The remainder of the Governors are appointed by a body representing the Diocese of Salisbury Academy Trust and the Archdeacon of Sherborne and including the Team Rector of the Dorchester Benefice and the Chairman of Governors, acting on the recommendation of the Parochial Church Council of the Parish of Dorchester and West Stafford.

The Governors may appoint up to two Co-opted Governors.

The term of office for any Governor, other than those appointed ex officio, is four years.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction and training of new Governors is handled by the Clerk to the Governors. New Governors are encouraged to attend specific training courses provided by Dorset County Council. Specialist training is arranged for specific responsibilities (e.g. special educational needs). All Governors receive training in safeguarding from the Dorset Safeguarding Board. Governors are kept up-to-date with changes to education through subscriptions to Dorset Governor and, via the Clerk to the Governors, information from the Department for Education and the Education Funding Authority.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The full Governing Body meets at least four times each year. Certain aspects of the company's business are delegated to the following committees, on which the Headteacher and Chairman of Governors also sit. The school's Business Manager and members of the Senior Leadership Team also attend committees, as appropriate.

- The Finance and Premises Committee meets at least four times a year and oversees financial matters, the maintenance of the school site and premises and health and safety matters.

- The Staffing and Curriculum Development Committee meets at least termly to review the school's pay policies, to oversee the performance management process and oversee matters relating to staffing.

- The Strategic Committee meets at least four times a year to oversee the agenda for the Governing Body's meetings and deal with urgent matters.

- The Admissions and Exclusions Committee meets ad hoc to apply the school's Admission Policy in cases of over-subscription and to discharge the Governors' responsibilities with regard to the exclusion of pupils.

- The Staff Pay Committee meets ad hoc in cases of disagreement over staff pay.

- The Staff Dismissal Appeals Committee meets ad hoc in cases of staff dismissal.

- Further ad hoc panels of Governors may be convened by the Clerk to the Governors to review unresolved complaints under the Complaints Procedure.

- The Head Teacher is the accounting officer.

Connected Organisations included Related Party Relationships

St. Osmund's CE Middle School is an active member of the Dorchester Area Schools Partnership (DASP). The Headteacher is ex officio a director of DASP Ltd. This network provides for a programme of shared teaching and learning across the whole age range, from 4 to 18. All maintained and academy schools in the Dorchester Pyramid are members, as are the Learning Centre. Participating schools value this alliance as part of their school improvement programme.

There are also very close links between the school and the St. Osmund's Community Sports Centre, a charitable trust. A member of the school staff serves as a director and there are in place financial agreements between the school and the Sports Centre for its use, maintenance and running costs.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Governors seek to provide a school offering a broad and balanced education, suitable to the age, ability, aptitude and any special educational needs of its pupils, to the children living in its catchment area and to the children of parents who have expressed a preference for their being educated here, in accordance with its Admissions Policy.

Through Religious Education, Corporate worship, links with local churches and the ethos of the school, Governors endeavour to maintain and promote the religious character of the school and specifically the characteristics of the Church of England.

The school endeavours to ensure that all students learn to their full potential in an informed, caring, supportive and safe environment in which challenging learning experiences develop pupils to continue their education successfully as confident young people.

In addition to its academic provision, the school encourages all its pupils to develop their musical, artistic and sporting skills and interests through its many clubs, teams and out-of-school activities. It also aims to help its pupils become more aware of, and active in, the local, national and international community through its teaching and modelling by staff and Governors.

In partnership with parents the school aims to raise standards of achievement and progress among its pupils through the provision of a varied curriculum, high quality teaching and high levels of expectation.

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

St. Osmund's CE Middle School has been recognised by OfSTED as an outstanding school. We aim to maintain and improve on that judgement. To that end, the school adopted during the period of this report the following in its School Improvement Plan (SIP)

1. Through an improvement in achievement and attainment in literacy and numeracy, pupils to effectively access the rest of the curriculum
In particular:

- To increase the amount of Curriculum time in Maths by 55 minutes a week, in both Years 5 and 6
- Pupils of Concern meetings to take place half termly. Heads of Dept will attend with the SENCO/Leader for Well Being to establish which children have been flagged as not meeting expected progress and which intervention might be relevant
- To begin implementation of the new SEN Code of Practice from September 2014
- Appointment of a" Reading Champion"
- LIFT and WAVE interventions to continue
- Appointment of a KS2 and KS3 Mathematics Head of Department

2. In order to implement effective intervention, accurately track pupil progress, ensuring all children meet their potential
In particular:

- To implement SIMs based tracking system.
- All staff to be confident in using SIMs and data to be entered 5 times a year (Core Subjects) and 3 times a year (Foundation Subjects)
- To monitor the progress of Pupil Premium children across Core Subjects and Approach to Learning

3. To provide a curriculum that prepares students for an active, fulfilling and successful life
In particular:

- For all Heads of Department to review and refine their curriculum in the light of the new National curriculum
- To review programme of study in Year 5 English and Maths in line with the new curriculum objectives.
- To review the Programme of Study in French

4. All pupils to develop resilience and sustain positive, healthy relationships
In particular:

- Effective implementation of the role of Learning Mentor
- To monitor and log levels of intervention regularly

5. To involve all stakeholders (students, staff, parents and governors) in the development of our learning community
In particular:

- To establish the Link Governor role with Subject areas
- To encourage collaboration between Student Voice groups throughout DASP
- To improve the Schools website, to include up to date information of clubs and events

Public Benefit

The Governors have complied with their duty to have due regard to guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Providing non-selective education, and through its links with DASP and the local community, the school has provided considerable public benefit. It has strong links with the local police and other external agencies. It supports, through its Harvest Offerings, the Dorchester Food Bank and The 'Hub' (Dorchester's day centre for the homeless) and has links with local residential establishments for the elderly making up hampers for them at Christmas. It is strengthening its links with local churches, through the active participation by pupils in regular public worship.

The school's active membership of DASP enables strong curriculum links between it and the First Schools in the area.

Regular meetings with the First School Heads in the Mini Pyramid has allowed collaborative work on tracking key groups throughout First and Middle school. Regular joint moderation meetings during the year between First and Middle school core subject teachers have become extended to include joint observations and work scrutiny. Student voice groups from all three phases have joint meetings planned this year. Similarly, the links between the school and Thomas Hardye School, ensure smooth transition and well prepared pupils. The 'One School' vision across DASP has lead to the development of projects to share good practice and monitor impact jointly across all phases. This is demonstrated in particular through the work of the Literacy Development Group which plan and promote joint activities across DASP schools. Gifted and talented groups across all schools meet regularly for targeted workshops and activities. These joint ventures promote the 'one school' ideal and help all students see their education as continuous and consistent.

ACHIEVEMENT AND PERFORMANCE

Achievements and Performance

As a Middle School, St. Osmund's administers SATs to pupils in year 6, at which time they have been in the school for only 4 terms. The % of pupils attaining Level 4+ at the end of Key Stage 2 was pleasing in all core subjects and compared favourably to the previous year's results and to all children nationally. The need to increase the achievements of the more able pupils in both Writing and Maths has been identified as an area in need of development.

KEY STAGE 2 SATS Results - School and (National)

Subject	% Level 4+	% Level 5+
Reading	92 (89)	53 (49)
Writing	95 (85)	32 (33)
Maths	87 (86)	38 (42)

At the end of Key Stage 2 85% of children attained level 4 or above in Reading, Writing and Maths combined (79% National). Children also made very good progress in English compared to their formal assessment at the end of Key Stage 1. We continue to work collaboratively with the First Schools to maximise progress in Maths.

Subject	2 levels Progress
Reading	91%
Writing	93%
Maths	83%

The school strives to ensure that all children achieve their potential and the present focus is narrowing the gap between Pupil Premium children and Non Pupil Premium children in reading

The Government no longer requires pupils to undertake SATs at the end of Key Stage 3, which is year 9. (When they were required, the schools in DASP applied them at the end of year 8, so that transfer to the upper school could be better managed.) However, the schools in DASP continue to find it helpful to have a formal assessment of progress at the end of year 8 and so use a format very similar to the previous Key Stage 3 SATs.

Subject	% Level 5+	% Level 6+
Reading	81	34
Writing	79	37
Maths	90	78

In the course of the four years that the children were at St Osmund's Middle School, they made significant progress (Year 5 to 8)

Subject	2 levels Progress
Reading	73%
Writing	76%
Maths	98%

Accelerating the progress of Pupils within English at KS3 has been identified as an area of development.

The school continues with its programme of subject review. Governors, linked with specific curriculum areas, are part of those reviews with the subject leaders and members of the Senior Leadership Team. The outcome of those reviews feed into the process of developing the School Improvement Plan.

Academic achievement and progress do not represent in its entirety the achievement of the school. During the period in question, there was considerable sporting success and music success. Among such achievements were:

Musical achievements:
- The school children performed Joseph and His Amazing Technicolour Dreamcoat during the Spring term
- One of our pupils (a cello soloist) was accepted into the National Children's Orchestra
- Year 8 pupils organised and led there end of year Celebration Concert.
- Over 200 instrumental music lessons took place throughout the year

Sporting Achievements:
- Yr 8 Basketball Team: County Champions
- Yr 7 & 8 Netball Team: County Finals
- Yr 5 & 6 Tag Rugby: County Finals & National Finals
- Yr 7 Boys Rowing: County Finals
- Yr 8 Girls Rowing: County Finals - Silver
- Yr 8 Boys Football: Area Champions
- Yr 7 Girls Football: County Champions

ACHIEVEMENT AND PERFORMANCE

Two students achieved international standards one with the England under 18s in Bowls and the other who performed for Great Britain in Biathlon.

In other areas, a Year 8 pupil was elected to represent Dorset in the Youth Parliament.

Attendance during the period in question was 95.23% overall.
This is 0.1 lower than the previous year.

FINANCIAL REVIEW

Reserves Policy

The total of reserves held in both restricted and unrestricted general funds amounts to £115,886. This includes amounts of funding received by the school prior to conversion to academy status. The Governors intend that this should be retained to offset financial uncertainties arising from the current climate of economic austerity.

Investment Policy

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. The School does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

PLANS FOR FUTURE PERIODS

The Academy is reviewing standards in light of the changing curriculum and in response to last years attainment and progress of its pupils. This has informed the creation of the School Improvement Plan.

We are looking to increase the schools capacity to provide hot lunches for its pupils, whilst also appreciating the predicted increase in pupil numbers across all of the Dorchester middle schools in 2017.

PRINCIPAL RISKS AND UNCERTAINTIES

Over 87% of the school's revenue funding is provided by the Education Funding Agency in the form of recurrent grants, the use of which is restricted to specific purposes.

The school's approach to strategic planning takes account of potential changes to funding levels being brought about by the application of revised local and national formulæ for the allocation of funds between institutions. This aims to ensure that planned levels of expenditure can be accommodated through anticipated levels of funding and reserves.

In the current economic climate, it is difficult to forecast accurately the impact of restrictions on public sector expenditure on the future funding of individual schools.

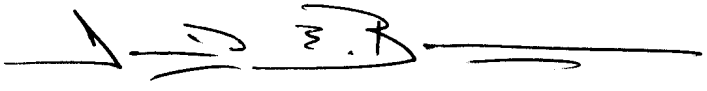
Because levels of funding are closely tied to the number of pupils on the school roll, decisions relating to house building in the area may affect the size of the school and its future financial position. The Governors are aware of this uncertainty. There is no sign of a significant drop in pupil numbers in the observable future and, through DASP, all the middle schools will continue to resist admissions from the catchment areas of other middle schools in the area, thus minimising the risks of falling rolls.

AUDITORS

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

The auditors, Rothmans LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 26 November '14 and signed on its behalf by:



.....
Mr D Bowen - Trustee

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher 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 St Osmund's Middle School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee		Meetings attended	Out of a possible
Mr D Bowen	Chairman	5	5
Mr J Williams	Headteacher and Accounting Officer since January 2014	3	3
Rev T Woodhouse	Ex Officio	1	1
Mrs J White	Staff Governor	4	5
Mrs C Pugh	Staff Governor	3	5
Mrs J Jeffrey	Parent Governor	3	5
Mr M Scott	Parent Governor (Resigned 31 January 2014)	5	5
Mrs A Stone		3	3
Mrs S Wilson		5	5
Mrs J Denham		4	5
Mr P Browne		5	5
Mr N Power		4	5
Mrs L Bainbridge		5	5
Mrs J Lang		3	5

This year has seen the appointment of a new Headteacher, new Ex Officio and a new Chair of Governor.

The finance and premises committee is a sub-committee of the main board of trustees. Its purpose is to ensure compliance with relevant statutory and internal regulations, to submit annual revenue and capital budgets to the full Governing Body for approval, to monitor actual expenditure against these budgets; to review annually the school's internal financial policies and procedures, including the policy for fees and charges and to be responsible for:

- the appointment of external auditors
- receiving quotations, tenders and contracts for all services
- risk management and insurance arrangements
- the maintenance, refurbishment and safety of all buildings and land

During the period in question, the committee has completed the following tasks:

- appointed external auditors
- appointed external accountants
- set budgets in accordance with statutory guidelines
- overseen the implementation of a system of financial control the school
- received reports from the Responsible Officer

Attendance at meetings during the period in question was as follows:

Trustee		Meetings Attended	Out of a Possible
Mrs L Bainbridge	Chair	3	3
Mr S Beet	Acting Headteacher and September 2014 to January 2014 Headteacher since January 2014	1	1
Mr J Williams		2	2
Mrs S Wilson		1	3
Mrs J Lang		2	3
Mr N Power		2	3
Mrs A Stone		0	3
Mr M Scott		0	3
Mr D Bowen		2	3

The Purpose of the System of Internal Control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Osmund's Middle School Academy Trust Limited for the period 01st September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk
The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 01 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Rothmans, the external auditor to perform additional checks.

The auditors role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the auditor reports to the board of trustees, through the finance and premises committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and premises committee and a plan to address weaknesses [if relevant] and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 26 November 14 and signed on its behalf by:

.....
Mr D Bowen - Trustee

.....
J Williams - Accounting Officer

ST OSMUND'S CE MIDDLE SCHOOL

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

As accounting officer of St Osmund's CE Middle School I have considered my responsibility to notify the charitable company board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook.

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

.....
J Williams - Accounting Officer

Date: 12.12.14

ST OSMUND'S CE MIDDLE SCHOOL

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2014

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

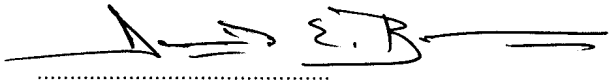
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

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

Approved by order of the members of the board of trustees on 28 November '14 and signed on its behalf by:



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Mr D Bowen - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ST OSMUND'S CE MIDDLE SCHOOL

We have audited the financial statements of St Osmund's CE Middle School for the year ended 31 August 2014 on pages sixteen to thirty. 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 Accounts Direction 2013 to 2014 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of trustees and auditors
As explained more fully in the Statement of Trustees Responsibilities set out on page twelve, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Daren Laidlaw (Senior Statutory Auditor)
for and on behalf of Rothmans Audit LLP
Chartered Accountants
Statutory Auditors
10 Little Park Farm Road
Segensworth West
Fareham
Hampshire
PO15 5TD

Date: 19 December 2014

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST OSMUND'S CE MIDDLE SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Osmund's CE Middle School during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Osmund's CE Middle School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Osmund's CE Middle 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 St Osmund's CE Middle School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Osmund's CE Middle School's accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of St Osmund's CE Middle School's funding agreement with the Secretary of State for Education 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 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matter 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 regularityand propriety of the charitable company's income and expenditure.

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

Rothmans Audit LLP

Rothmans Audit LLP
10 Little Park Farm Road
Segensworth West
Fareham
Hampshire
PO15 5TD

Date: 19 December 2014

ST OSMUND'S CE MIDDLE SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted fund £	Restricted funds £	Restrcited fixed asset fund £	Year Ended 31/8/14 Total funds £	Period 11/5/12 to 31/8/13 Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	3	31,319	172,580	-	203,899	160,741
Voluntary income - Transfer from Local Authority on conversion		-	-	-	-	775,000
Activities for generating funds	4	10,365	4,567	-	14,932	3,000
Investment income	5	300	-	-	300	1,000
Incoming resources from charitable activities						
Academy's educational operations	6	-	2,446,512	14,311	2,460,823	3,217,000
Other incoming resources		-	-	-	-	35,000
Total incoming resources		41,984	2,623,659	14,311	2,679,954	4,191,741
RESOURCES EXPENDED						
Charitable activities						
Academy's educational operations		-	2,636,438	99,922	2,736,360	3,293,741
Governance costs	9	-	16,733	-	16,733	34,000
Total resources expended	7	-	2,653,171	99,922	2,753,093	3,327,741
NET INCOMING RESOURCES		41,984	(29,512)	(85,611)	(73,139)	864,000
Other recognised gains/losses						
Gains/losses on investment assets		-	(63,000)	-	(63,000)	(165,000)
Net movement in funds		41,984	(92,512)	(85,611)	(136,139)	699,000
RECONCILIATION OF FUNDS						
Total funds brought forward		48,000	(647,586)	1,298,586	699,000	-
TOTAL FUNDS CARRIED FORWARD		89,984	(740,098)	1,212,975	562,861	699,000

CONTINUING OPERATIONS
All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

ST OSMUND'S CE MIDDLE SCHOOL

BALANCE SHEET
AT 31 AUGUST 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	14	1,199,788	1,210,377
CURRENT ASSETS			
Debtors	15	81,215	167,000
Cash at bank		169,746	199,623
		250,961	366,623
CREDITORS			
Amounts falling due within one year	16	(121,888)	(223,000)
NET CURRENT ASSETS		129,073	143,623
TOTAL ASSETS LESS CURRENT LIABILITIES		1,328,861	1,354,000
PENSION LIABILITY	20	(766,000)	(655,000)
NET ASSETS		562,861	699,000
FUNDS	19		
Unrestricted funds:			
Unrestricted general fund		89,984	48,000
Restricted funds:			
Restricted general fund		25,902	6,741
Restrcited fixed asset fund		1,212,975	1,299,259
Pension reserve		(766,000)	(655,000)
		472,877	651,000
TOTAL FUNDS		562,861	699,000

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 26 Nov 14 and were signed on its behalf by:

.....
Trustee

The notes form part of these financial statements

ST OSMUND'S CE MIDDLE SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Year Ended 31/8/14 £	Period 11/5/12 to 31/8/13 £
Net cash inflow from operating activities	1	44,845	205,623
Returns on investments and servicing of finance	2	300	1,000
Capital expenditure and financial investment	2	(75,022)	(7,000)
(Decrease)/increase in cash in the period		(29,877)	199,623

	Notes		
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/increase in cash in the period		(29,877)	199,623
Change in net debt resulting from cash flows		(29,877)	199,623
Movement in net debt in the period		(29,877)	199,623
Net debt at 1 September		199,623	-
Net debt at 31 August		169,746	199,623

The notes form part of these financial statements

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

1. RECONCILIATION OF NET (OUTGOING)\INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year Ended 31/8/14 £	Period 11/5/12 to 31/8/13 £
Net (outgoing)\incoming resources	(73,139)	864,000
Depreciation charges	99,922	125,623
Capital grants from DfE/EFA	(14,311)	(81,000)
Transfer from Local Authority on conversion	-	(775,000)
Interest received	(300)	(1,000)
Decrease/(increase) in debtors	85,785	(167,000)
(Decrease)/increase in creditors	(101,112)	223,000
Difference between pension charge and cash contributions	48,000	17,000
Net cash inflow from operating activities	44,845	205,623

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

	Year Ended 31/8/14 £	Period 11/5/12 to 31/8/13 £
Returns on investments and servicing of finance		
Interest received	300	1,000
Net cash inflow for returns on investments and servicing of finance	300	1,000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(89,333)	(157,000)
Capital grants from DfE/EFA	14,311	150,000
Net cash outflow for capital expenditure and financial investment	(75,022)	(7,000)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/13 £	Cash flow £	At 31/8/14 £
Net cash:			
Cash at bank	199,623	(29,877)	169,746
Total	199,623	(29,877)	169,746

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Accounting convention
The financial statements have been prepared under the historical cost convention, the Companies Act 2006 , the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

Incoming resources
All incoming resources are included on the Statement of Financial Activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

Other income
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Resources expended
Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

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

Allocation and apportionment of costs

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- 0.8% on cost
Plant and machinery etc	- 33% on cost and 25% on reducing balance

1. ACCOUNTING POLICIES - continued

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.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, 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.

2. GENERAL ANNUAL GRANT

Under the funding agreement with the Secretary of State the academy trust was not subject to a limit at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next.

3. VOLUNTARY INCOME

	Year Ended 31/8/14	Period 11/5/12 to 31/8/13
	£	£
Donations	87,791	140,000
Trip income	118,911	21,000
Other income	(2,803)	(259)
	203,899	160,741

4. ACTIVITIES FOR GENERATING FUNDS

	Year Ended 31/8/14 £	Period 11/5/12 to 31/8/13 £
Shop income	13,174	-
Other income	1,758	3,000
	14,932	3,000

5. INVESTMENT INCOME

	Year Ended 31/8/14 £	Period 11/5/12 to 31/8/13 £
Deposit account interest	300	1,000

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/14 Total funds £	Period 11/5/12 to 31/8/13 Total funds £
Grants	-	2,451,320	2,451,320	3,217,000
Non government income	-	9,503	9,503	-
	-	2,460,823	2,460,823	3,217,000

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/14 Total funds £	Period 11/5/12 to 31/8/13 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	2,325,458	2,325,458	2,982,000
Other DFE/EFA grants	-	111,551	111,551	60,000
Start up grants	-	-	-	25,000
	-	2,437,009	2,437,009	3,067,000
DfE/EFA capital grant				
Other DFE/EFA grants	-	14,311	14,311	150,000
	-	2,451,320	2,451,320	3,217,000

7. RESOURCES EXPENDED

	Staff costs	Non-pay expenditure Premises	Other costs	Year Ended 31/8/14 Total	Period 11/5/12 to 31/8/13 Total
	£	£	£	£	£
Charitable activities Academies educational operations					
Direct costs	1,789,379	-	116,091	1,905,470	2,455,655
Allocated support costs	255,716	202,260	372,914	830,890	838,086
	2,045,095	202,260	489,005	2,736,360	3,293,741
Governance costs including allocated support costs	-	-	16,733	16,733	34,000
	2,045,095	202,260	505,738	2,753,093	3,327,741

Net resources are stated after charging/(crediting):

	Year Ended 31/8/14	Period 11/5/12 to 31/8/13
	£	£
Auditors' remuneration	10,900	-
Depreciation - owned assets	99,922	125,741

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

	Year Ended 31/8/14	Period 11/5/12 to 31/8/13
	£	£
Direct costs - academy's educational operations		
Teaching and educational support staff	1,789,379	2,275,655
Technology costs	8,497	31,000
Educational supplies	62,146	104,000
Staff development	5,951	10,000
Educational consultancy	22,258	25,000
Other direct costs	17,239	10,000
	1,905,470	2,455,655
Allocated support costs - academy's educational operations		
Support staff costs	255,716	319,345
Depreciation	99,922	125,741
Recruitment and support	41,092	2,000
Maintenance of premises and equipment	74,108	98,000
Cleaning	3,874	23,000
Rent and rates	20,535	21,000
Energy costs	42,054	55,000
Insurance	46,748	47,000
Security and transport	6,430	3,000
Catering	8,007	9,000
Other support costs	232,404	135,000
	830,890	838,086

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - continued

	Year Ended 31/8/14 £	Period 11/5/12 to 31/8/13 £
	2,736,360	3,293,741

9. GOVERNANCE COSTS

	Year Ended 31/8/14 £	Period 11/5/12 to 31/8/13 £
Auditors' remuneration	10,900	-
Auditors' remuneration for non-audit work	1,435	-
Legal & professional	4,398	34,000
	16,733	34,000

10. TRUSTEES' REMUNERATION AND BENEFITS

The trustees total remuneration for the year was £126,108.

Trustees' expenses
There were no trustees' expenses paid for the year ended 31 August 2014 nor for the period ended 31 August 2013.

11. STAFF COSTS

	Year Ended 31/8/14 £	Period 11/5/12 to 31/8/13 £
Wages and salaries	1,658,169	2,085,000
Social security costs	108,554	143,000
Other pension costs	254,370	308,000
	2,021,093	2,536,000
Supply teacher costs	24,002	59,000
	2,045,095	2,595,000

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

	Year Ended 31/8/14	Period 11/5/12 to 31/8/13
Teachers	27	27
Administration and support	2	27
Leadership and management	6	6
	35	60

No employees received emoluments in excess of £60,000.

12. TRUSTEES' AND OFFICERS' INSURANCE

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 is included in the total insurance cost.

13. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

J Williams (principal and trustee from 1 January 2014): £40,000 - £45,000 (2013: Nil)
Mrs J White (staff trustee): £15,000 - £20,000 (2013: £20,000 - £25,000)
Mrs L Bainbridge (staff trustee): £0 - £5,000 (2013: £0 - £5,000)
Mrs C Pugh (staff trustee from 1 October 2013): £35,000 - £40,000 (2013:Nil)

There were no trustees expenses paid for the year ended 31 August 2014 nor the period ended 31 August 2013.

Other related party transactions involving the trustees are set out in note 21.

14. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 September 2013	974,922	361,196	1,336,118
Additions	89,333	-	89,333
At 31 August 2014	1,064,255	361,196	1,425,451
DEPRECIATION			
At 1 September 2013	9,435	116,306	125,741
Charge for year	8,511	91,411	99,922
At 31 August 2014	17,946	207,717	225,663
NET BOOK VALUE			
At 31 August 2014	1,046,309	153,479	1,199,788
At 31 August 2013	965,487	244,890	1,210,377

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Other debtors	81,215	167,000

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	42,099	56,000
Taxation and social security	30,397	35,000
Other creditors	49,392	132,000
	121,888	223,000

	£	£
Deferred income, opening balance	63,837	-
Resources deferred in the period	9,918	63,837
Amounts released from previous periods	(63,837)	-
	9,918	63,837

At 31 August 2014 St Osmund's CE Middle School were holding funds received in advance for the 2014/15 financial year.

17. 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.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	Restrcited fixed asset fund	2014 Total funds	2013 Total funds
	£	£	£	£	£
Fixed assets	-	-	1,199,788	1,199,788	1,210,377
Current assets	90,515	147,259	13,187	250,961	366,623
Current liabilities	(531)	(121,357)	-	(121,888)	(223,000)
Pension liability	-	(766,000)	-	(766,000)	(655,000)
	89,984	(740,098)	1,212,975	562,861	699,000

19. MOVEMENT IN FUNDS

	At 1/9/13	Net movement in funds	At 31/8/14
	£	£	£
Unrestricted funds			
Unrestricted general fund	48,000	41,984	89,984
Restricted funds			
Restricted general fund	7,414	18,488	25,902
Restrcited fixed asset fund	1,298,586	(85,611)	1,212,975
Pension reserve	(655,000)	(111,000)	(766,000)
	651,000	(178,123)	472,877
TOTAL FUNDS	699,000	(136,139)	562,861

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted general fund	41,984	-	-	41,984
Restricted funds				
Restricted general fund	2,623,659	(2,605,171)	-	18,488
Restrcited fixed asset fund	14,311	(99,922)	-	(85,611)
Pension reserve	-	(48,000)	(63,000)	(111,000)
	2,637,970	(2,753,093)	(63,000)	(178,123)
TOTAL FUNDS	2,679,954	(2,753,093)	(63,000)	(136,139)

20. PENSION AND SIMILAR OBLIGATIONS

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

Contributions amounting to £31,936 (2013: £21,369) were payable to the schemes at 31 August 2014 and are included within creditors.

20. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

20. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £110,000, of which employer's contributions totalled £84,000 and employees' contributions totalled £26,000.

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.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Present value of funded obligations	(1,387,000)	(1,015,000)
Fair value of plan assets	621,000	360,000
	(766,000)	(655,000)
Deficit	(766,000)	(655,000)
Liability	(766,000)	(655,000)

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Current service cost	104,000	88,000
Interest cost	50,000	42,000
Expected return	(22,000)	(14,000)
Past service cost	-	42,000
	132,000	158,000
Actual return on plan assets	151,000	43,000

Changes in the present value of the defined benefit obligations are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Defined benefit obligation	(1,015,000)	(662,000)
Current service cost	(104,000)	(88,000)
Contributions by scheme participants	(26,000)	(29,000)
Interest cost	(50,000)	(42,000)
Actuarial losses/(gains)	(192,000)	(194,000)
	(1,387,000)	(1,015,000)

20. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Fair value of scheme assets	360,000	189,000
Contributions by employer	84,000	99,000
Contributions by scheme participants	26,000	29,000
Expected return	22,000	14,000
Actuarial gains/(losses)	129,000	29,000
	621,000	360,000

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
Equities	55%	62%
Gilts	20%	20%
Equities	9%	5%
Alternative assets	5%	5%
Absolute Return Portfolio	2%	0%
Property	9%	8%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2014	2013
Discount rate	4%	4.7%
Expected return on scheme assets	5.6%	5.2%
Future salary increases	4.2%	4.9%
Future pension increases	2.7%	2.9%
Inflation assumption (CPI increases)	2.7%	2.9%
RPI increases	3.5%	3.7%

Amounts for the current and previous period are as follows:

	2014	2013 as restated
	£	£
Defined benefit pension plans		
Defined benefit obligation	(1,387,000)	(1,015,000)
Fair value of scheme assets	621,000	360,000
Deficit	(766,000)	(655,000)

21. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.