Company registration no: 07984008
(England and Wales)

MONTGOMERY HIGH SCHOOL

REPORTS AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 SEPTEMBER 2014

Montgomery High School
(A COMPANY LIMITED BY GUARANTEE)
ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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Montgomery High School
(A COMPANY LIMITED BY GUARANTEE)
ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs G Neale[12345] – (Chair - Appointed 1/4/12)
Mr G Mawdsley[245] – (Responsible Officer - Appointed 26/9/12)
Mr S Brennand[12345] – (Headteacher and Accounting Officer - Appointed 1/4/12
Mr M Lord[134] – (Appointed 1/4/12)

Governors

Mrs G Neale[12345] – (Chair - Appointed 1/4/12)
Mr G Mawdsley[245] – (Responsible Officer - Appointed 26/9/12)
Mr S Brennand[12345] – (Headteacher and Accounting Officer - Appointed 1/4/12
Mrs C Montgomery[1234] – (Staff Governor – Appointed 21/2/13)
Mr R Hegarty[1234] – (Staff Governor – Appointed 1/5/13)
Mrs D Arrowsmith[13] – (Staff Governor – Appointed 18/12/12)
Mr B Eastwood[14] – (Appointed 1/4/12)
Mrs P Haslam[2345] – (Appointed 1/4/12)
Mr M Lord[1345] – (Appointed 1/4/12)
Mr R Wolstencroft[1] – (Appointed 1/4/12)
Ms G Yeadon[24] – (Appointed 16/7/12)
Mrs C Hill[234] – (Appointed 29/11/12)
Mrs L Holt[4] – (Appointed 1/4/12)
Mr P Ashford[12] – (Appointed 1/4/12)
Mrs J Irving[234] – (Appointed 1/4/12)
Mrs N Kemp[34] – (Appointed 1/4/12)
Mrs M Lane[12] – (Appointed 1/4/12)
Mr P Mahtani[1] – (Appointed 7/11/12)
Mr A Roylance[23] – (Appointed 1/4/12)
Mrs R Royle[125] – (Appointed 1/4/12)
Cllr G Coleman – (Appointed 18/11/13)
Mrs L Bairstow – (Appointed 24/05/14)

[1] - Member of Finance and Premises Committee
[2] - Member of Academic Standards Committee
[3] - Member of the Personnel Committee
[4] - member of the Student Welfare Committee
[5] - member of the Merger Committee

Company Secretary F S Burrows

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Senior Leadership Team

- **Headteacher**	Mr S Brennand
- **Deputy Headteacher**	Mr R Haughton
- **Deputy Headteacher**	Mrs C Montgomery
- **Assistant Headteacher**	Mrs H Chambers
- **Assistant Headteacher**	Miss D Marini
- **Assistant Headteacher**	Miss S Skiffington
- **Assistant Headteacher**	Mrs A Morton
- **Assistant Headteacher**	Miss G Smith
- **Assistant Headteacher**	Mrs G Whittingham
- **Business & Finance Manager**	Mr E Wortley-Shotton

Registered office	All Hallows Road Bispham Blackpool FY2 0AZ
Company registration number	07984008 (England & Wales)
Auditors	Moore and Smalley LLP Chartered Accountants & Statutory Auditor Richard House Winckley Square Preston PR1 3HP
Bankers	Lloyds TSB Bank 30 Corporation Street Blackpool FY1 1EN
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Actuary	Mercer Limited Number 4 St Paul's Square Old Hall Street Liverpool L3 9SJ

Montgomery High School
(A COMPANY LIMITED BY GUARANTEE)
ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

GOVERNORS REPORT

The Governors present their report together with the audited financial statements of the Academy for the one month period ended the 30th September 2014. The report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity (company registration number 07984008 England and Wales). The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The charitable company was incorporated on the 9th March 2012 and began trading following transfer from the Local Authority on 1st April 2012. The Governors act as the Trustees for the charitable activities of Montgomery High School, An Academy, Language College and Full Service School and are also the Directors of the charitable company for the purposes of company law. Details of Governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 2.

In total the Academy has four Members. The Articles of Association require the Members of the charitable company to appoint a minimum of three Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy and provide for the appointment of an unlimited number of Governors.

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 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 ceased to be a Member.

Governors' Indemnities

Since the incorporation of the charitable company on 9th March 2012, the Governors have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act,

accidental error or omission in the course of their official duties. As explained in note 11 to the Financial Statements the limit of this indemnity is £3,000,000.

Principal Activities

The principal activity of Montgomery High School, An Academy, Language College and Full Service School is to provide a high quality, free education to pupils of all abilities aged 11 – 16 who live within the school's community.

Governors

The Governors act as the Trustees for the charitable activities of the Academy Trust and are also the Directors of the charitable company for the purpose of company law.

During the period under review the Governors held 1 Full Governing Body meeting, and 1 meeting of the Merger sub-committee. No meetings of the other remaining committees took place during the period.

The training and induction provided for new Governors depends on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents, information and support to effectively undertake their role as Governors.

As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. All Governors receive copies of all minutes and new Governors are invited to attend subcommittee meetings. New Governors are allocated a Mentor Governor and a named Governor has responsibility for training. Governors are encouraged to access training courses provided by the Local Authority (LA) and other providers.

Composition of Governors

The following categories are applicable to the Governing Body at Montgomery High School, An Academy, Language College and Full Service School:

- Parent Governors: parents of children at the school elected by parents;
- Staff Governors: members of the school staff elected by staff;

GOVERNORS REPORT (Continued)

- Foundation Governors appointed by the Montgomery Trust;
- Community Governors appointed by the Governing Body.
- Local Government Representative appointed by Blackpool Council

The number of Governors shall not be less than three but shall not be subject to any maximum. The Academy may also have any Co-opted Governor(s) appointed under Article 59.

Appointment of Governors

The Members appoint a minimum of three Governors of whom:

i. Two are Parent Governors;
ii. One shall be the Principal a Governor Ex-Officio

The proportions of the Governing Body at Montgomery High School, An Academy, Language College and Full Service School are as follows:

- Three Staff Governors, appointed by the Members through such a process as they may determine. The Members shall make all necessary arrangements for, and determine all matters relating to, an election of the Staff Governors;
- Eight Parent Governors, elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected. The Members shall make all necessary arrangements for, and determine all matters relating to, an election of the Parent Governors. Any election of Parent Governors which is contested shall be held by secret ballot. Arrangements for the election shall provide, for every person entitled to vote, an opportunity by post or, if they prefer, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy;
- The Headteacher (Principal), treated for all purposes as an Ex Officio Governor;
- Two Foundation Governors;
- Seven Community Governors.
- One Local Authority Governor

GOVERNORS REPORT (Continued)

Organisational Structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and specified financial, self-evaluation and academic reports and for making major decisions about the strategic direction of the Academy, capital expenditure and senior staff appointments. Responsibility for the appointment of remaining teaching and non-teaching staff is delegated to the Headteacher who works closely with Governors in this area. The Academy Leadership Team set up in this period consists of the Headteacher, two Deputy Headteachers, six Assistant Headteachers and the Business & Finance Manager. The Governing Body is also responsible for the Performance Management of the Headteacher. Certain elements of Governors responsibilities are delegated to sub-committees and/or the Headteacher who make recommendations to the Full Governing Body. All delegations are annually reviewed and updated and outlined in a delegation planner. The Headteacher is also the Accounting Officer.

These Managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Appointment boards for almost all posts and all of those in the Senior Leadership Team always contain a Governor. Some spending control is devolved to members of the Management Team, with limits above which a Senior Leadership Manager must countersign.

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, human resources, health and safety, school trips, child protection, finances, technology and the environment. These risks are reviewed at each meeting of the Finance and Premises and Audit Committees.

The Governors have implemented a number of systems to assess risks in the operational areas of the Academy and in relation to the control of finance. A Risk Register has been completed and is reviewed annually. From this, specific, significant risks are identified and these and their control measures set out in a Key Risks Management Plan which is updated on an ongoing basis.

The internal financial systems are based on the Academies Financial Handbook and are documented in the Academy Financial Policy. The systems are based on a framework of segregation of duties and schemes of delegation which include authorisation and approval. Financial management information is provided to the Governors Finance and Premises on a monthly basis.

GOVERNORS REPORT (Continued)

The continuing existence of the Academy can best be guaranteed by the standards of education in its widest sense which it provides. This is the preferred school for many families who could easily favour another. The Academy has recruited strongly in response to specific strategies deployed, increasing its market share. This has helped to offset the 'local demographic dip'. A falling roll could signal the beginning of financial and educational problems. Where significant financial risk still remains Governors have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Responsible Officer

The Responsible Officer role has been performed during the period by Mr G Mawdsley. No reports have been presented to the Governing Body during the period. No prior major issues have been identified. Recommendations for improvement to systems and procedures have been implemented or are in the process of being implemented.

Objectives and Activities

Objectives and Aims

The principal object and activity of Montgomery High School, An Academy, Language College and Full Service School is to provide a high quality, free education to pupils of all abilities aged 11 – 16 who live within the school's community.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy.

The main objectives of the Academy during the period ended 30th September 2014 are summarised in the Academy's Mission Statement:

"Mutual Respect, Ambition and Learning" and are encapsulated in the school's key aims which are to:

- provide every individual in the school with equality of opportunity and encouragement to realise his or her full potential
- enable students to achieve essential qualifications
- help prepare students to lead constructive and fulfilling lives
- enable students to develop the necessary personal and social skills to be responsible, autonomous community members with a sense of wellbeing

GOVERNORS REPORT (Continued)

- develop responsible environmental attitudes
- promote respect for, and understanding of, diversity

Our ethos of mutual respect and care remains at the heart of all we do and is the foundation for all our activities. We encourage all our young people to explore the big issues of life and develop resilience and drive to sustain them through the ups and downs of their lives. The Academy puts great emphasis on service and our young people are involved in local, national and international charity projects, raising significant sums of money each year for those in need.

The Academy Trust works alongside the Montgomery Trust to enrich the learning, health and wellbeing of all students, with the prime focus of raising achievement. Further key aims are to improve the life chances of all young people within our community, raise aspirations and develop effective and compassionate global citizens. In addition both Trusts collaborate to enhance the health and wellbeing of the wider community of Blackpool.

The Academy also aims to:

- Provide value for money for the funds expended
- Comply with all appropriate statutory and curriculum requirements
- Conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Objective, Strategies and Activities

The Academy's strategic activities have included:

- Tuition and learning opportunities for all students appropriate to their ability in order to attain academic and vocational qualifications
- Development opportunities for all staff
- A comprehensive programme of extra-curricular activities and visits for students
- Careers advice and guidance to help students move to the next stage of their education
- Opportunities for parents and carers to work in partnership with the Academy

The Governors recognise that equal opportunities should be an integral part of all good practice within the workplace.

The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

GOVERNORS REPORT (Continued)

Public Benefit:

The Governors have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by Montgomery High School, An Academy, Language College and Full Service School is the maintenance and development of the high quality education provided by the Academy.

In doing this Montgomery High School, An Academy, Language College and Full Service School not only offers a broadly-based academic education but aims to educate the whole individual. A very wide-range of extra-curricular activities and educational visits (in the UK and abroad) are offered and undertaken. Governors have encapsulated this in a statement of public values summarising the school's impact socially, environmentally and in wider economic and strategic senses.

Strategic Report

Achievements and Performance

Student numbers and recruitment remain robust.

The number of students on roll in the period ended the 30th September 2014 was 1,418 and the Academy is close to capacity in all year groups.

In May 2014 Ofsted, whilst offering significant praise for many aspects of the school's work which they felt were of a very high quality, judged the school to require special measures.

Following this judgement the Governors took the decision to join the Fylde Coast Academy Trust (FCAT), a local multi-academy trust immediately after the end of the period. The academy merged with FCAT on the 1st October 2014. As a result the assets and liabilities have been transferred to the MAT. There is no impact on the carrying values of assets and liabilities, as reported in these accounts.

Financial Review

Operating and Financial Review for the period

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objectives of the Academy. The GAG received during the period covered by this report and the associated expenditure is shown as restricted funds in the statement of financial activities.

GOVERNORS REPORT (Continued)

On conversion to an academy on the 1st April 2012, all of the fixed assets of the former school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in note 1 to the Financial Statements.

Expenditure for the period covered by this report was more than covered by the GAG received from the DfE together with other incoming resources.

The School's total incoming resources during the period were £674,448.The majority of the School's income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the School's educational operations in the period was £637,276 and further details are provided in Note 5 to the accounts.

Total outgoing resources for the period were £755,448, the majority of which related to the direct provision of educational operations (£707,381). Expenditure exceeded income (excluding movements in fixed assets and the pension scheme deficit on conversion) by £81,000.

At the period end the School's total reserves were £11,998,017, including unrestricted funds of £15,442 and restricted funds of £11,982,789. Restricted funds include fixed assets of £13,130,356, less the LGPS pensions scheme deficit of £1,211,000. The remaining balances on restricted funds relate to funding received in the period which is due to be spent in 2014/15 in accordance with the terms of funding. Further detail is provided in Note 16.

At 30th September 2014 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the School.

Reserves policy and financial position Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Restricted GAG reserves

The Governors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Governors believe that, under normal circumstances, the appropriate level of GAG reserve should be between 2% and 10% of GAG income, and aim to keep the reserve within these parameters.

GOVERNORS REPORT (Continued)

At 30th September 2014 the school held GAG reserves of £5,242, which represents 0.9% of the GAG income for the period.

Restricted pension reserve

The Governors are concerned with the large deficit that the Local Government Pension Fund is reporting. On conversion in 2012, the school inherited a deficit of £1,359,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. The Governors have entered into an agreement with the pension providers to make additional repayments over the next three years to make a start on reducing this deficit (details are provided in note 27) and this deficit had reduced to £1,211,000 by 30th September 2014. 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.

Unrestricted reserves

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the school holds unrestricted free reserves, which provide additional working capital and are not committed or designated.

At 30th September 2014 the level of unrestricted reserves held was £15,228.

Investment Policy

Apart from the cash held for the operation of the Academy, Montgomery High School, An Academy, Language College and Full Service School has no material investments. With respect to its cash holdings the Governing Body has adopted a low risk strategy. The main current account held by the Academy is an interest bearing account.

Final Comments

Governors have ambition to develop the site further, enhancing and upgrading the facilities and resources available to students, staff and the whole school community. This will sustain and bring to life the school's enduring commitment to 'go the extra mile' for every one of our students.

In so far as the Governors are aware:

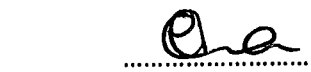
- there is no relevant audit information of which the Academy's auditor is unaware; and

GOVERNORS REPORT (Continued)

- 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.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy'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 Governing Body on 21st September 2015 and signed on its behalf by:



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Mrs G Neale Chair

GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Montgomery High School, An Academy, Language College and Full Service 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 to 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 Montgomery High School, An Academy, Language College and Full Service 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.

Skills Audit

A detailed and current Governor skills audit is conducted to encompass desirable generic, local and specialist knowledge and experience. The wealth of complementary skill and identification of any shortfalls or deficiencies is used to direct Governor recruitment.

Governance

Governors are allocated to Committees which are as follows:

Academic Standards, Finance and Premises, Personnel and Student Welfare. Other ad hoc committees are convened as and when needed. These committees meet regularly with Full Governors meeting at least once per term and sub-committees meeting at least once every half term.

Members of the Academy Trust shall comprise:

The signatories to the Memorandum who are:

a. Chair of Governors
b. Chair of Finance and Premises sub-committee
c. Chair of Academic Standards sub-committee
d. The Headteacher (Principal)

GOVERNANCE STATEMENT (Continued)

The information on governance included here supplements that information described in the Governors' Report and in the Statement of Governors Responsibilities. The Governing Body has formally met once during the period.

Attendance during the period at meetings of the Governing Body was as follows:

- 3 September 2014 18 Governors attendance out of a possible 22

Full details of attendance during the period at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mrs G Neale - (Chairman)	1	1
Mr G Mawdsley – (Responsible Officer)	1	1
Mrs C Montgomery	1	1
Mr R Hegarty	1	1
Mrs D Arrowsmith	0	1
Mr S Brennand – (Headteacher and Accounting Officer)	1	1
Mr B Eastwood	1	1
Mrs P Haslam	1	1
Mr M Lord	0	1
Mr R Wolstencroft	0	1
Ms G Yeadon	1	1
Mrs C Hill	1	1
Mrs L Holt	1	1

GOVERNANCE STATEMENT (Continued)

Mr P Ashford	1	1
Mrs J Irving	1	1
Mrs N Kemp	1	1
Mrs M Lane	1	1
Mr P Mahtani	0	1
Mr A Roylance	1	1
Mrs R Royle	1	1
Cllr G Coleman	1	1
Mrs L Bairstow	1	1

The Merger Committee is a sub-committee of the main governing body. Its purpose is to assist the process of merging with the Fylde Coast Academy Trust. Attendance at meetings in the period was as follows:

Governor	**Meetings attended**	**Out of a possible**
Mrs G Neale	1	1
Mr G Mawdsley	0	1
Mr S Brennand	1	1
Mr P Haslam	1	1
Mr M Lord	0	1
Mrs R Royle	1	1

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

GOVERNANCE STATEMENT (Continued)

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 at Montgomery High School for the period ended the 30th September 2014 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 the Academy 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 on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ending the 30th September 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

The Academy'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 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, and;
- identification and management of risks.

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 Mr G Mawdsley as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The RO function has been fully delivered in line with the Educational Funding Agencies (EFA's) requirements and no material control issues arose as a result

GOVERNANCE STATEMENT (Continued)

of the RO's work. The RO's work was praised as 'best practice' by the EFA's Auditor. The RO is also Chair of the Audit Committee.

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:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Senior Leadership Team within the academy who have responsibility for the development and maintenance of the internal control framework.
- Feedback from the EFA Auditor

Approved by order of the members of the Governing Body on 21st September 2015 and signed on its behalf by:

Mrs G Neale
Chair

Mr S Brennand
Accounting Officer

Montgomery High School
(A COMPANY LIMITED BY GUARANTEE)
ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Montgomery High School, An Academy, Language College and Full Service School I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency (EFA) of material irregularity, impropriety and noncompliance 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 Governing Body are able to identify any material irregular or improper use of funds by the Academy, 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.

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Mr S Brennand Accounting Officer

Montgomery High School
(A COMPANY LIMITED BY GUARANTEE)
ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees for charitable activities and are also directors of the Academy Trust for the purposes of company law) are responsible for preparing the Governors' 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 period. 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 academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the 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 academy will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy 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 academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that 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 academy'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 governing body on 21st September 2015 and signed on its behalf by:

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Mrs G Neale Chair

MONTGOMERY HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE PERIOD ENDED 30 SEPTEMBER 2014

We have audited the financial statements of Montgomery High School for the period ended 30 September 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement) and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013/14 issued by the Education Funding Agency.

This report is made solely to the academy'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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 21, the governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy 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' 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 30 September 2014, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Annual Accounts Direction 2013/14 issued by the Education Funding Agency.

Emphasis of matter

We draw attention to the going concern disclosures on pages 11 and 29 regarding the transfer of the School's assets and liabilities into a Multi Academy Trust. The inclusion of this statement in our audit report does not mean that the report is qualified.

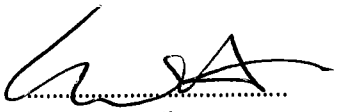
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial period 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christine Wilson
Senior Statutory Auditor

For and on behalf of
Moore and Smalley LLP
Chartered Accountants & Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP
Date 22/9/15

MONTGOMERY HIGH SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

FOR THE PERIOD ENDED 30 SEPTEMBER 2014

In accordance with the terms of our engagement letter dated 30 April 2012 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 the academy trust during the period 1 September 2014 to 30 September 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the academy trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the academy trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the EFA, for our work, for this report, or for the opinion we have formed.

Respective responsibilities of the accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the academy trust's funding agreement with the Secretary of State for Education dated 8 March 2012 and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2013/14. We report to you whether, in our opinion, 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 2013/14 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusion includes an evaluation of the control environment of the school together with appropriate enquiry, analytical review and substantive testing of transactions.

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 2014 to 30 September 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore and Smalley LLP

Moore and Smalley LLP
Chartered Accountants

Richard House
Winckley Square
Preston
PR1 3HP

Date 22/9/15

Montgomery High School
Statement of Financial Activities for the Period Ended 30 September 2014
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	**September 2014 Discontinued Activities £**	**Year ended 31 August 2014 £**
Incoming Resources						
Incoming resources from generated funds:						
- Voluntary Income	2	0	195	0	**195**	**4,374**
- Activities for generating funds	3	36,926	0	0	**36,926**	**379,551**
- Investment Income	4	51	0	0	**51**	**953**
Incoming resources from charitable activities:						
- Funding for the academy's educational operations	5	0	637,276	0	**637,276**	**7,290,958**
Total incoming resources		36,977	637,471	0	**674,448**	**7,675,836**
Resources Expended						
Cost of generating funds:						
- Costs of generating voluntary income						
- Fundraising trading	6	37,191	2,849	0	**40,040**	**381,456**
Charitable Activities:						
Academy's educational operations	6 & 7	0	685,931	21,450	**707,381**	**7,704,740**
Governance Costs	6 & 8	0	8,028	0	**8,028**	**18,023**
Total resources expended		37,191	696,807	21,450	**755,448**	**8,104,219**
Net incoming / (outgoing) resources before transfers		(214)	(59,336)	(21,450)	**(81,000)**	**(428,383)**
Gross transfer between funds						
Net income / (expenditure) for the year		(214)	(59,336)	(21,450)	**(81,000)**	**(428,383)**
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	16		50,000		**50,000**	**402,000**
Net movement in funds		(214)	(9,336)	(21,450)	**(31,000)**	**(26,383)**
Reconciliation of funds						
Total funds brought forward at 1 September 2014		15,442	(1,138,231)	13,151,806	**12,029,017**	12,055,400
Total funds carried forward at 30 September 2014		15,228	(1,147,567)	13,130,356	**11,998,017**	**12,029,017**

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

Montgomery High School

Balance sheet as at 30 September 2014

Company Number 07984008

	Notes	September 2014 £	September 2014 £	year ended 31 August 2014 £	year ended 31 August 2014 £
Fixed assets					
Tangible assets	12		13,130,356		13,151,806
Current assets					
Stock	13	9,181		7,931	
Debtors	14	251,183		307,297	
Cash at bank and in hand		225,318		219,398	
		485,682		534,626	
Liabilities					
Creditors: Amounts falling due within one year	15	(407,021)		(401,415)	
Net current assets			78,661		133,211
Total assets less current liabilities			13,209,017		13,285,017
Net assets excluding pension liability			13,209,017		13,285,017
Pension scheme liability	27		(1,211,000)		(1,256,000)
Net assets including pension liability			11,998,017		12,029,017
Fund of the academy:					
Restricted income funds					
- Fixed asset fund(s)	16		13,130,356		13,151,806
- General fund(s)	16		63,433		117,769
- Pension reserve	16		(1,211,000)		(1,256,000)
Total restricted funds			11,982,789		12,013,575
Unrestricted income funds					
- General fund(s)			15,228		15,442
Total unrestricted funds			15,228		15,442
Total funds			11,998,017		12,029,017

The financial statements on pages 26 to 50 were approved by the Governors, and authorised for issue on 21/09/2015 and are signed on their behalf by :

[Signed]

Mrs G Neale
[Chair]

Montgomery High School
Cash Flow Statement for the period ended 30 September 2014

	Notes	September 2014 £	year ended 31 August 2014 £
Net cash inflow from operating activities	20	**5,869**	**(167,167)**
Returns on investments and servicing of finance	21	**51**	**953**
Capital expenditure	22	**0**	**(62,201)**
(Decrease) / Increase in cash in the year		**5,920**	**(228,415)**
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		**219,398**	**447,813**
Net funds at 30 September 2014		**225,318**	**219,398**

Montgomery High School
(A COMPANY LIMITED BY GUARANTEE)

Notes to the Financial Statements for the Period Ended 30 September 2014

1. Statement of Accounting Policies

Basis of Preparation

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

Going Concern

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

As noted on page 11 the Academy became part of a Multi Academy Trust (MAT) from 1 October 2014. As a result the assets and liabilities have been transferred to the MAT. As a result, all activities in these accounts have been classified as discontinuing in line with guidance included in the Accounts Direction. All assets and liabilities of the Academy have been included at the carrying value and there is no impact on the carrying value as a result of the transfer.

Incoming Resources

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

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

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

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

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

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

Notes to the Financial Statements for the Period Ended 30 September 2014 (continued)

1. **Statement of Accounting Policies (continued)**

- **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.

- **Costs of generating funds**
  These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**
  These are costs incurred on the Academy Trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

Conversion to an Academy

The conversion from 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.

The assets and liabilities transferred on conversion from Montgomery High School to an 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 the equivalent item. Their 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 in the Statement of Financial Activities and analysed under the unrestricted funds, restricted funds and restricted fixed asset funds.

Notes to the Financial Statements for the Period Ended 30 September 2014 (continued)

1. Statement of Accounting Policies (continued)

On conversion the School acquired the land and buildings from which it operates as freehold. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out at 31 March 2013 on behalf of the Department for Education by Mouchel. This

valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

In addition, The School inherited fixtures and fittings and other tangible fixed assets in use by the School at the date of conversion. These assets have been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included in the accounts for these assets. The insurance value for fixtures and fittings and other assets inherited on conversion was £2,357,000.

Tangible Fixed Assets

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

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

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

Freehold buildings	2%
Refurbishments to Land & Buildings	2% - 10%
Fixtures, fittings and equipment	10% - 25%
ICT equipment	25%
Motor Vehicles	20%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.
A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

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

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

1. Statement of Accounting Policies (continued)

Stock
Stock consists of purchased goods for resale. Stocks are valued at the lower of cost or net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

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

Pensions Benefits
Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, 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 27, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which have been utilised in acquiring fixed assets. The initial funding may have arisen from the unrestricted funds or other restricted funds, a transfer from the appropriate fund is made to the fixed asset fund to identify the capitalisation of an asset and future depreciation on these assets will be charged to the fixed asset fund.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/ Department for Education.

Notes to the Financial Statements for the Period Ended 30 September 2014 (continued)

2. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Restricted FA £	September 2014 Discontinued Activities £	Year ended 31 August 2014 £
Other Donations	0	195	0	**195**	**4,374**
	0	195	0	**195**	**4,374**

3. Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Restricted FA Funds £	September 2014 Discontinued Activities £	Year ended 31 August 2014 £
Hire of facilities	2,452	0	0	**2,452**	**3,444**
Catering Income	33,822	0	0	**33,822**	**325,954**
Uniform Sales	61	0	0	**61**	**13,921**
Sundry Income	591	0	0	**591**	**36,232**
	36,926	0	0	**36,926**	**379,551**

4. Investment Income

	Unrestricted Funds £	Restricted Funds £	Restricted FA Funds £	September 2014 Discontinued Activities £	Year ended 31 August 2014 £
Bank Interest Receivable	51	0	0	**51**	**953**
	51	0	0	**51**	**953**

Notes to the Financial Statements for the Period Ended 30 September 2014 (continued)

5. Funding for Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Restricted FA Funds £	September 2014 Discontinued Activities £	Year ended 31 August 2014 £
DfE / EFA revenue grants					
- General Annual Grant (GAG)	0	583,414	0	**583,414**	**6,596,400**
- Start Up Grants	0	0	0	**0**	**0**
- Capital Grants	0	0	0	**0**	**27,659**
- Other DfE / EFA Grants	0	29,994	0	**29,994**	**422,421**
	0	613,408	0	**613,408**	**7,046,480**
Other Government Grants					
- Local authority grants	**0**		0	**0**	**52,948**
	0	0	0	**0**	**52,948**
Other Grants					
- Other Grants		395	0	**395**	**9,910**
	0	395	0	**395**	**9,910**
Other Educational Income					
- School Fund Income	0	23,473	0	**23,473**	**181,620**
	0	23,473	0	**23,473**	**181,620**
	0	637,276	0	**637,276**	**7,290,958**

Notes to the Financial Statements for the Period Ended 30 September 2014 (continued)

6. Resources Expended

	Staff Costs	Non Pay Expenditure		September 2014 Discontinued Activities	Year ended 31 August 2014
		Premises	Other Costs		
	£	£	£	£	£
Costs of activities for generating funds	15,582	0	24,457	**40,040**	**381,456**
Academy's educational operations					
- Direct costs	402,046	0	102,598	**504,644**	**5,753,103**
- Allocated support costs	77,816	17,449	107,472	**202,737**	**1,951,637**
	495,444	17,449	234,527	**747,420**	**8,086,196**
Governance costs including allocated support costs	0	0	8,028	**8,028**	**18,023**
	495,444	17,449	242,555	**755,448**	**8,104,219**

Incoming / outgoing resources for the year include:	September 2014	Year ended 31 August 2014
	£	£
Operating leases	**6,696**	**52,092**
Fees payable to auditor - audit	**3,250**	**6,500**
Depreciation	**21,450**	**249,066**
Profit / (loss) on disposal of fixed assets	**0**	**0**

Notes to the Financial Statements for the Period Ended 30 September 2014 (continued)

7. Charitable Activities

	September 2014 Discontinued Activities £	Year ended 31 August 2014 £
Direct costs		
Teaching and educational support staff costs	402,046	**5,000,134**
Depreciation	0	**0**
Technology costs	27,703	**54,477**
Educational supplies	20,683	**200,607**
Examination fees	10,112	**85,315**
Staff development	0	**0**
Educational consultancy	7,723	**194,274**
Other direct costs	36,376	**218,296**
	504,644	**5,753,103**
Allocated support costs		
Support staff costs	77,816	**1,012,657**
Depreciation	21,450	**249,066**
Technology costs	5,392	**58,686**
Recruitment and support	0	**385**
Maintenance of premises and equipment	1,567	**120,859**
Cleaning	2,210	**34,592**
Rent and rates	2,149	**27,605**
Energy costs	9,918	**138,606**
Insurance	41,181	**85,445**
Security and transport	10,744	**29,327**
Other support costs	30,310	**194,409**
	202,737	**1,951,637**
	707,381	**7,704,740**

8. Governance Costs

	September 2014 Discontinued Activities £	Year ended 31 August 2014 £
Legal and professional fees	**4,778**	**11,523**
Auditor's remuneration		
- Audit of financial statements	**3,250**	**6,500**
- Preparation of Statutory Accounts		**0**
	8,028	**18,023**

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

9. Staff

a. Staff Costs

Staff costs during the period were:	September 2014 £	Year ended 31 August 2014 £
Wages and salaries	395,427	4,904,273
Social security costs	31,442	363,855
Pension costs	59,803	765,332
	486,672	6,033,460
Supply teacher costs	8,772	155,890
Other staff related costs		918
	495,444	6,190,268

b. Staff severance payments

There were no non-statutory/non-contractual severance payments in the period of account.

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	September 2014 No.	Year ended 31 August 2014 No.
Charitable Activities		
Teachers	80	79
Administration and support	67	65
Management	9	10
	156	154

d. Higher paid staff

The number of employees whose annual equivalent emoluments exceeded £60,000 was:

	September 2014 No.	Year ended 31 August 2014 No.
£60,001 - £70,000	4	4
£80,001 - £90,000	0	1
£90,001 - £100,000	1	0
	5	5

The above employees participated in the Teachers' Pension Scheme. During the period year ended 30 September, pension contributions for these staff amounted to £3,996 (2013-14 : £49,650).

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

10. Related Party Transactions – Trustees' Remuneration and Expenses

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

S Brennand (Principal and trustee):	£110,000 - £115,000	(2014: £110,000 - £115,000)
C Montgomery (staff trustee):	£75,000 - £80,000	(2014: £80,000 - £85,000)
R Hegarty (staff trustee):	£35,000 - £40,000	(2014: £35,000 - £40,000)
D Arrowsmith (staff trustee):	£30,000 - £35,000	(2014: £30,000 - £35,000)

During the period ended 30 September 2014, travel and subsistence expenses totalling £nil (2014: £nil) were reimbursed to Governors.

Other related party transactions involving the trustees are set out in note 28.

11. Governor's 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 £3,000,000 on any one claim and the cost for the period ended 30 September 2014 was £23. The cost of this insurance is included in the total insurance cost.

12. Tangible Fixed Assets

	Freehold land & Buildings £	Leasehold Land & Buildings £	Furniture & Equipment £	Computer Equipment £	Motor Vehicle £	Total £
Cost						
At 1 September 2014	13,561,207	0	70,898	90,651	0	**13,722,756**
Transfer on conversion	0	0	0	0	**0**	**0**
Additions	0	0	0	0	**0**	**0**
Disposals	0	0	0	0	0	**0**
At 30 September 2014	13,561,207	0	70,898	90,651	0	**13,722,756**
Depreciation						
At 1 September 2014	543,415	0	10,437	17,098	**0**	**570,950**
Charged in year	18,758	0	**801**	**1,891**	**0**	**21,450**
Disposals	0	0	**0**	**0**	**0**	**0**
At 30 September 2014	562,173	0	11,238	18,989	0	**592,400**
Net Book Values						
At 30 September 2014	12,999,034	0	59,660	71,662	0	**13,130,356**

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

13. Stock

	September 2014 £	Year ended 31 August 2014 £
Clothing	1,029	1,090
Catering	8,152	6,841
	9,181	7,931

14. Debtors

	September 2014 £	Year ended 31 August 2014 £
VAT recoverable	32,856	39,119
Other debtors	4,653	2,957
Prepayments and accrued income	213,674	265,221
	251,183	307,297

15. Creditors: Amounts Falling due within one Year

	September 2014 £	Year ended 31 August 2014 £
Trade creditors	101,626	67,561
Taxation and social security	107,539	109,294
Other payroll creditor	100,262	102,679
Accruals and deferred income	97,594	121,881
	407,021	401,415

Deferred income	September 2014 £
Deferred income at 1 September 2014	59,988
Resources deferred in the year	
Amounts released from previous years	-59,988
Deferred income at 30 September 2014	0

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

16. Funds

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 30 September 2014 £
Restricted general funds					
General Annual Grant (GAG)	53,059	583,414	(631,231)		**5,242**
Start Up Grant	0	0	0		**0**
Other DfE/EFA Grants	0	29,994	(23,401)		**6,593**
Other Restricted Income	64,710	24,063	(37,175)		**51,598**
Pension Reserve	(1,256,000)		(5,000)	50,000	**(1,211,000)**
	(1,138,231)	637,471	(696,807)	50,000	**(1,147,567)**
Restricted fixed asset funds					
DfE/EFA capital grants	23,335	0	(529)		**22,806**
Capital expenditure from GAG	125,299	0	(2,219)		**123,080**
Donations in kind	13,002,322	0	(18,687)		**12,983,635**
Other Capital Grants	850	0	(15)		**835**
Private sector capital sponsorship	0	0			**0**
	13,151,806	0	(21,450)	0	**13,130,356**
Total restricted funds	**12,013,575**	**637,471**	**(718,257)**	50,000	**11,982,789**
Unrestricted funds					
Unrestricted funds	15,442	36,977	(37,191)		**15,228**
Total unrestricted funds	15,442	36,977	(37,191)	0	**15,228**
Total funds	**12,029,017**	**674,448**	**(755,448)**	**50,000**	**11,998,017**

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 the end of each academic year.

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

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant. These include pupil premium and capital grants all of which have been spent in the period.

Notes to the Financial Statements for the Period Ended 30 September 2014 (continued)

16. Funds (continued)

Other government grants include funding for the Graduate Training Programme, which is fully expended in the period.

Other restricted funds include contributions received for school trips and non-public donations and the related expenditure. During the period the visits and non-public funds had no excess expenditure over income. The donations received were for restricted purposes and as at the period end all of the donations have been spent in full.

The pension reserve represents the value of the School's share of the deficit on the Local Government Pension Scheme. The value of the deficit inherited on conversion was £1,359,000 this had reduced to £1,211,000 at 30 September 2014 (£1,256,000 at 31 August 2013)

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other capital grants during the period. Depreciation is charged against the fund.

Unrestricted funds represent funds generated via activities such as lettings, catering and bank interest. The surplus on the unrestricted funds at the year end was £15,228 and these can be used at the discretion of the Governors to meet the charitable objectives of the Academy.

17. Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	0	0	13,130,356	**13,130,356**
Current assets	15,228	470,454	0	**485,682**
Current liabilities	0	(407,021)	0	**(407,021)**
Pension scheme liability	0	(1,211,000)	0	**(1,211,000)**
Total net assets	**15,228**	**(1,147,567)**	**13,130,356**	**11,998,017**

18. Capital Commitments

	September 2014 £	Year ended 31 August 2014 £
Contracted for, but not provided in the financial statements	**0**	**0**

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

19. Financial Commitments

Operating leases

At 30 September 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	September 2014 £	Year ended 31 August 2014 £
Other		
Expiring within one year	6,000	7,000
expiring within two and five years inclusive	42,828	42,828
Expiring in over five years		
	48,828	49,828

Note

On conversion the existing school premises were leased to the Academy from the local Authority on a long term lease with a peppercorn rental. Under the terms of the lease all risks and rewards of ownership of the asset were transferred to the Academy and therefore, they have been recognised on the balance sheet as affixed asset with a corresponding entry to voluntary income as a gift in kind.

20. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	September 2014 £	Year ended 31 August 2014 £
Net income	(81,000)	(428,383)
Cash transferred on conversion to Academy Trust	0	0
Depreciation (Note 12)	21,450	249,066
Capital Gifts in Kind (Note 2)	0	0
Capital grants from DfE and other capital income	0	(28,509)
Interest receivable (Note 4)	(51)	(953)
FRS 17 pension cost less contributions payable (Note 27)	1,000	7,000
FRS 17 pension finance income (Note 27)	4,000	101,000
(Increase)/decrease in stocks	(1,250)	27,793
(Increase)/decrease in debtors	56,114	(98,551)
Increase/(decrease) in creditors	5,606	4,368
Net cash inflow from operating activities	5,869	(167,169)

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

21. Returns on Investments and Servicing of Finance

	September 2014 £	Year ended 31 August 2014 £
Interest received	51	953
Net cash inflow from returns on investment and servicing of finance	51	953

22. Capital Expenditure and Financial Investment

	September 2014 £	Year ended 31 August 2014 £
Purchase of tangible fixed assets	0	(90,709)
Capital grants from DfE / EFA	0	27,659
Capital funding received from sponsors and others	0	850
Receipt from sale of tangible fixed assets	0	0
Net cash outflow from capital expenditure and financial investment	0	(62,201)

23. Analysis of Changes in Net Funds

	At 1 September 2014 £	Cash flows £	At 30 September 2014 £
Cash in hand and at bank	219,398	5,920	225,318
	219,398	5,920	225,318

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

24. Guarantees, Letters of Comfort and Indemnities

There were no Guarantees, letters of comfort or indemnities at 30 September 2014.

25. Contingent Liabilities

The Academy does not have any contingent liabilities as at 30 September 2014.

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.

27. 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 Lancashire County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £89,186 (2014: £89,459) were payable to the schemes at 30 September and are included within creditors.

Teachers' Pension Scheme

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 Service Regulations 2014. 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 education may be eligible for membership.

Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic too for teachers in part-time employment following appointment or a change of contract, although they 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 the 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.

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

27. Pension and similar obligations (continued)

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.

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, and as part of the cost-sharing agreement between employers' and teachers' representatives, 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 provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing of the next valuation has still to be determined, but is likely to be before the reformed schemes are introduced in 2015.

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 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. 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

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

27. Pension and similar obligations (continued)

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.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School 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 School has set out above the information available on the scheme. And the implications for the School in terms of anticipated contribution rates.

Local Government Pension Scheme

The academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using projected unit method. The total contribution made for the period ended 30 September 2014 was £20,398, of which employer's contributions totalled £14,762 and employees' contributions totalled £5,636. . The agreed contribution rates for future years are 14.0 per cent for employers and will range between 5.5 per and 12.5 per cent for employees dependant on their salary.

The Academy has entered into an agreement to make additional contributions in addition to normal funding levels over a 3 year period as follows:

1 April 2014 – 31 March 2015	£48,700
1 April 2015 – 31 March 2016	£50,700
1 April 2016 – 31 March 2017	£52,800

As described in note 1 the LGPS obligation relates to employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Principal Actuarial Assumptions	**At 30 September 2014**	**At 31 August 2014**
Rate of increase in salaries	**3.7%**	**3.70%**
Rate of increase for pensions in payment / inflation	**2.2%**	**2.20%**
Discount rate for scheme liabilities	**4.1%**	**4.00%**
Inflation assumption (CPI)	**2.2%**	**2.20%**
Commutation of pension lump sums		50% take maximum cash, 50% take 3/80th cash

Notes to the Financial Statements for the Period Ended 30 September 2014 (continued)

27. Pension and similar obligations (continued)

A sensitivity analysis for the principle assumptions used to measure scheme liabilities, shows that an increase of 0.1% per annum in the discount rate would reduce the deficit by £57,000. An increase of 0.1% per annum in inflation would increase the pension deficit by £58,000 and an increase of 1 year in life expectancy would increase the deficit by £37,000.

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

	At 30 September 2014	At 31 August 2014
Retiring today		
Males	**22.8**	22.8
Females	**25.3**	25.3
Retiring in 20 years		
Males	**25**	25
Females	27.7	27.7

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

	Expected return at 30 September 2014	Fair value at 30 September 2014 £000's	Expected return at 31 August 2014	Fair value at 31 August 2014 £000's
Equities	**7.0%**	**456**	**7.0%**	**448**
Government Bonds	**3.0%**	**2**	**2.9%**	**2**
Other Bonds	**3.8%**	**244**	**3.8%**	**240**
Property	**6.1%**	**88**	**6.2%**	**87**
Cash/Liquidity	**0.5%**	**22**	**0.5%**	**22**
Other	**7.0%**	**106**	**7.0%**	**104**
Investment Expenses				
Total market value of assets		**918**		**903**
Present value of scheme liabilities				
- Funded		**(2,129)**		**(2,159)**
Surplus / (deficit) in the scheme		**(1,211)**		**(1,256)**

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

27. Pension and similar obligations (continued)

The expected rate of return on plan assets is based on market expectations. The assumptions used to determine the expected rate are an average of the assumed market expectations appropriate to the individual asset classes weighted by the proportion of the assets in a particular class.

The actual return on scheme assets was -£4,000 (2014 : £37,000)

Amounts recognised in the statement of financial activities

	September 2014 £000's	Year ended 31 August 2014 £000's
Current service cost (net of employee contributions)	16	185
Past service cost		
Total operating charge	16	185

Analysis of pension finance income / (costs)	September 2014 £000's	Year ended 31 August 2014 £000's
Expected return on pension scheme assets	3	29
Interest on pension liabilities	(7)	(95)
Pension finance income / (costs)	(4)	(66)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £569,000 loss (2014 : £519,000 loss).

Notes to the Financial Statements for the period Ended 30 September 2014 (continued)

27. Pension and similar obligations (continued)

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

	September 2014 £000's	Year ended 31 August 2014 £000's
At 1 September	**2,159**	**1956**
On Conversion	**0**	**0**
Current service cost	**16**	**185**
Interest cost	**7**	**95**
Employee contributions	**5**	**60**
Actuarial (gain) / loss	**(58)**	**(154)**
Benefits paid	**0**	**(18)**
Past service cost	**0**	**0**
Curtailments and settlements	**0**	**35**
At 31 August	**2,129**	**2,159**

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

	September 2014 £000's	Year ended 31 August 2014 £000's
At 1 September	**903**	**406**
On Conversion	**0**	**0**
Expected return on assets	**3**	**29**
Actuarial gain / (loss)	**(8)**	**248**
Employer contributions	**15**	**178**
Employee contributions	**5**	**60**
Benefits paid	**0**	**-18**
At 31 August	**918**	**903**

The estimated value of employer contributions for the year ended 30 September 2015 is £167,000

Notes to the Financial Statements for the Period Ended 30 September 2014 (continued)

27. Pension and similar obligations (continued)

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

	September 2014 £000's	Year ended 31 August 2014 £000's
Present value of defined benefit obligations	2,129	2,159
Fair value of share of scheme assets	(918)	(903)
Deficit in the scheme	1,211	1,256
Experience adjustments on share of scheme assets: Amount £000*	(8)	248
Experience adjustments on share of scheme liabilities: Amount £000*	0	184

Parliament has agreed, at the request of the Secretary of State for Education 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.

28. Related Party Transactions

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

No related party transactions took place in the period of account