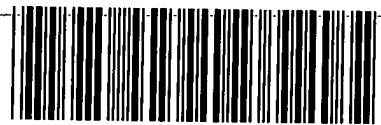


CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members	Stephen Baber Gary Barlow Michael Johnson The Exeter Diocesan Board of Finance (represented at meetings by David Worden)
Trustees	Stephen Baber, Chair of Trustees ^{1,2} Gary Barlow ^{2,3} Rosemary Cheetham, Staff Trustee ¹ Mark Corden (appointed 28 January 2014) ² Juliet Doswell (resigned 26 September 2013) ¹ Keith Greenwood ^{2,3} Michael Johnson, Chief Executive ^{1,2,3} Timothy Newman ¹ Laurence Oldman (resigned 2 June 2014) ² Paul Osbourne (appointed 17 March 2014) ¹ Tamsin Partridge, Staff Trustee ¹ Debbie Szydlowski ^{2,3} David Worden ² ¹ Teaching and Learning ² Resources ³ Audit
Company registered number	07697698
Principal and Registered office	Chulmleigh Community College Chulmleigh Devon EX18 7AA
Company secretary	Adrian Wade
Accounting Officer	Michael Johnson
Senior leadership team	Michael Johnson, Executive Headteacher Linda Lindley, Deputy Executive Headteacher Jon Pratt, Deputy Executive Headteacher and Academy SENCO Tracey Dodd, Assistant Executive Headteacher Angela Joslin, Assistant Executive Headteacher Linda Morris, Business Manager Terry Pullen, Estates Manager
Bankers	Lloyds TSB Plc 234 High Street Exeter Devon EX4 3NL

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 16 in Chulmleigh and surrounding areas. It has a pupil capacity of 1,041 and had a roll of 882 in the school census on 1 October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Chulmleigh Academy Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as CHulmleigh Academy Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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 they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £2,000,000.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On incorporation, the first Trustees of the newly formed Academy were appointed for a term of four years from the date of incorporation.

The Academy's Board of Trustees comprises the Executive Headteacher (who is the Chief Executive Officer), a minimum of two Parent Trustees, two Foundation Trustees, up to two Staff Trustees (providing that the total number of Trustees, including the Executive Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to eight other Trustees. In addition, the Secretary of State has the right under certain circumstances to appoint further trustees as provided for in the Articles of Association.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 7 Trustees who are appointed by the members (including up to 2 staff Directors).
- a minimum of 2 Parent Trustees who are elected by parents of registered pupils at the schools within the Academy.
- up to 3 Co-Opted Trustees who are appointed by the Trustee (excluding any Trustees who were themselves co-opted).
- the Chief Executive Officer.

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The Academy has an Induction and Development of Directors policy available from the Company Secretary.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of those policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally (but in accordance with the Induction and Development of Directors policy) and is tailored specifically to the individual.

There is a Trustees' away day organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

The Board of Trustees meets at least four times a year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are three main committees as follows;

- Resources Committee - this meets at least once a term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. The committee also deals with personnel matters, and will monitor, evaluate and review Academy policy, practice and performance in relation to Personnel and staffing issues. The committee also deals with premises and facilities issues, including Health and Safety matters and ICT.
- Teaching and Learning Committee - this meets twice a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Audit Committee – this committee was formed to deal with any necessary audit issues.

In addition, committees are formed on an ad hoc basis where required to cover other matters such as Exclusions.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Executive Headteacher.

The Trustees are responsible for setting general policy, approving the Annual Development Plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The members and Board of Trustees have devolved responsibility for day to day management of the Academy to the Executive Headteacher and Senior Leadership Team (SLT). In 2013/14 the SLT comprised the Executive Headteacher, 3 Deputy Executive Headteachers and an Assistant Executive Headteacher, Early Years Leader, Estates Manager and the Business Manager.

The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

reporting back to them.

Some spending control is devolved to Budget Holders, who are authorised in line with the Scheme of Delegation. The Executive Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Director.

The Academy Trust comprises four primary schools and one secondary school. Each school is an Academy in its own right forming part of the chain of academies within the Academy Trust, with a single Board of Directors overseeing the whole academy chain.

The Executive Headteacher is the Accounting Officer.

Connected Organisations, including Related Party Relationships

Chulmleigh Recreational Association, a registered charity, has use of the Academy's leisure facilities and there is a shared use agreement between them and the Academy.

In addition to the four primary schools within the Academy, the Academy has strong collaborative links with five further feeder primary schools which form part of the Chulmleigh Learning Community.

There are no related parties which either control or significantly influence the decisions and operations of Chulmleigh Academy Trust. The Academy encourages strong communication links between the various parent and community forum groups which are linked to individual schools. The Parents' Advisory Group meets every half term.

A subsidiary company, CAT Preschools Limited, was incorporated on 4 August 2014, with the Academy being the sole member. The subsidiary has been formed with the purpose of carrying out the business of preschools at some of the Academy's schools. The new company had not commenced its business activity by the end of the year ending 31 August 2014.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a chain of schools offering a broad range of curriculum for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2014 are summarised below:

- to provide an outstanding education for each child in the Academy Trust
- to provide a broad and balanced curriculum, including extra-curricular activities.
- to develop students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the Academy sites so that they enable students to achieve their full potential.
- to ensure that every child enjoys fair access to a high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness and sustainability of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve 5 A*-C GCSE grades including English and Maths.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Chulmleigh Academy Trust, we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents are part of an environment where high aspiration and standards are achieved as the result of the exemplary practice from the professionals in each of

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

the schools.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Improvement Plan which is available from the Academy Office.

Next year the priorities will be based around:

- Continuing to make the quality of teaching and learning our number one priority
- Continue to improve levels of attainment and progress
- Close the gap between Pupil Premium pupils and non-Pupil Premium pupils
- Taking opportunities to use our resources flexibly, in the best interests of the children and in a way that makes best use of our freedoms as a group of 5 academy schools
- Spreading the outstanding practice within the schools

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Chulmleigh and the surrounding areas. In particular, but without prejudice to the generality of the foregoing, by estimating, maintaining, managing and developing schools, offering a broad curriculum for all.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its third year of operation. The total number of pupils in the Academy at the end of the academic year 2013/14 (summer term census 2014) was 874. This shows a decrease when compared to summer 2013 when the Academy Trust had 904 pupils on roll. This is due to a declining demographic but the Academy has attracted a significant number of pupils from out of area, so the numbers are more buoyant than would otherwise be the case.

Chulmleigh Academy Trust had 157 Pupil Premium children at the census date in January 2014. This represents 17.8% of the total pupil population across the Trust. Most of the funding has been used to provide specialist staffing support: other benefits have included support for music tuition, trips and travel.

Chulmleigh Community College 2013-2014

The 2013/14 examination results (see below) for the secondary school were below the target that we had set.

We are likely to see a step change in the results for 2015, as a result of the work done over the academic year 2013-14 at the College.

To sharpen the focus upon our results, some of the actions taken were:

- Consulted in Spring 2014 to significantly restructure the leadership team at Chulmleigh Community College. This resulted in the appointment of an Assistant Headteacher for September 2014.
- Planned an additional class for Year 8 (for 2014/15) as a result of this consultation
- Further developed a pointed, precise Pupil Premium Plan
- Focused unrelentingly on literacy and literacy provision by appointing new specialist teachers
- Further developed the catch up programme for Year 7 who are below L4
- Further developed a programme for KS4 students who are significantly behind with their literacy and numeracy

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

- Focused unrelentingly on the quality of marking
- Adopted IGCSE English during 2014

The second phase of the building at the secondary school, consolidating the previous year's work on Phase 1, was completed. This building provides more than 4,000m² of additional learning space with a very high specification, delivered on time and on budget.

There has been a steady growth in the numbers of children who join CCC from outside the area. Sixty two of the 573 students in the College are from out of area. Almost half the children from Chulmleigh Primary School's designated area come from outside the area. Our partnership has consolidated the position of the College and has had a significant stabilising influence to the local demographic dip, making both schools more attractive and sustainable.

Primaries 2013-2014

Ofsted has visited East Worlington, Lapford and Chulmleigh Primary Schools and completed Section 5 inspections. CPS received an 'Outstanding' rating and the others were graded 'Good'. EWS and LPS were previously graded 'Requires Improvement'. This was a significant and marked success, resulting directly from our partnership.

Year 6 Academy has now been in place for two years. The combined LPS, EWS and CPS cohort made extremely good progress throughout the year benefiting from the teaching input from French, Drama, DT and Science departments at CCC. The Year 6 Academy is now well established and parents from EWS and LPS are very positive about the advantages of this transitional year. The students from EWS and LPS made significant progress and performed better than predicted because of specific interventions, including small group work and 1:1 support. The CPS Year 6 was a group with high potential and our expectations of them were proved correct.

The Key Stage 1 team has strong supportive links across all the primaries through mentoring, planning, joint events and assessment. The benefits of the wider school team have impacted on teaching and learning, particularly the mentoring of less experienced teachers and teachers who had previously worked in isolation in the smaller schools. Strong leadership in support of all pre-schools and EYFS experience is essential for the continued development and success of this key phase.

The Key Stage 2 team has established supportive working practices, with upper and lower Key Stage teachers working together to share good practice. Key Stage 2 teachers working across the ages in EWS, LPS and BPS have all been rated as good to outstanding in their teaching. Year 6 teachers are rated consistently as outstanding in their practice.

Learning Support. Teaching Assistants are a valuable resource, contributing to quality provision across all the schools. Each mixed aged class, in the small schools, has a full time TA to support differentiation and to deliver interventions.

Parents Many parents across the primaries volunteer in school and the PTAs are active in raising funds in support of school events and needs.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, the restricted fund balance of £69,767 was carried forward representing 2% of GAG.

**CHULMLEIGH ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

The following KPIs for the secondary school were set at the start of the year:

	Year 11 Actual	Year 11 Target
Attendance(Whole school)	96%	96%
5A*-C inc E&M	63.46%	71%
5A*-C	81.73%	83%
5A*-G	100%	99%
EBACC	34%	50%
% 3+ A and A*grades	19.23%	19%
%A and A* grades	15.67%	12%
English A* - C	71.15%	76%
English % making EXPECTED PROGRESS	63.46% (66 students out of 104)	81%. Levels of expected progress have gone down nationally this year.
Maths A* - C	81.73%	76%
Maths % making EXPECTED PROGRESS	73.07% (76 students out of 104)	85%
Capped points score (best 8)	NA	NA
KS2-4 Value added (best 8)	985	1,000

Primary Schools' Expectations and Actuals:

The expectation for children at the end of Key Stage 1 (Year 2) is that they would achieve Level 2 in Reading, Writing and Maths. Achievement of Level 3 is considered well above average. At the end of Key Stage 2 (Year 6) there is an expectation that Level 4 would be achieved. The Key Stage 1 and Key Stage 2 SATS for each primary school in the Trust were:

East Worlington Primary School

Key Stage 1 SATS

Phonics: 77% achieved.

Reading: 100% achieved L2+, with 50% achieving L3;

Maths: 100% achieved L2+, with 50% achieving L3;

Writing 100% achieved L2+, with 50% achieving L3.

These results are from only two pupils, with one of these children making exceptional progress from a low starting point.

Key Stage 2 SATS

Reading: 100% of the children achieved Level 4 or above, with 33% achieving Level 5

Maths: 100% achieved Level 5

English: 100% achieved Level 4 overall with 66% achieving Level 5.

These results represent excellent progress from the children's starting point.

Lapford Primary School

Key Stage 1 SATS

Phonics: 89% achieved.

Reading: 100% achieved L2+, with 20% achieving L3;

Maths 90% achieved L2+, with 20% achieving L3;

Writing 100% achieved L2+, with 20% achieving L3.

**CHULMLEIGH ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

Key stage 2 SATS

Reading: 100% of the children achieved Level 4 or above, with 25% achieving Level 5

Maths: 100% achieved Level 4.

English: 100% achieved level 4 overall

These results represent excellent progress from KS1 (pre-Academy)

Chulmleigh Primary School

Key Stage 1 SATS

Phonics: 74% achieved.

Reading: 96% achieved Level 2+ with 28% achieving Level 3

Maths: 100% achieved Level 2+, with 24% achieving Level 3

Writing: 96% achieved L2+, with 16% achieving Level 3

Key Stage 2 SATS

Reading 3% (one child) at P1. 97% achieved Level 4 with 69% achieving Level 5

Maths 3% (one child) at P1. 97% achieved Level 4 or above with 66% achieving Level 5 and 3% achieving Level 6.

English 3% at P1 (one child). 3% achieved Level 3. 94% achieved Level 4 or above with 69% achieving Level 5.

The percentages include one child who was not entered because working below expected test levels

Burrington Primary School

Key Stage 1 SATS

Phonics: 57% achieved

Reading: 100% achieved Level 2+ with 67% achieving Level 2A+

Maths: 100% Level 2+ with 33% achieving Level 2A+

Writing: 100% achieved Level 2+ with 67% achieving Level 2A+

Key Stage 2 SATS

Reading: 100% achieved Level 4 with 75% achieving Level 5

Maths 100% achieved Level 4 with 37% achieving Level 5 and 13% achieving Level 6.

English: 100% achieved Level 4 and above overall (with 63% achieving level 5 SPAG)

End of Foundation Stage. All primary schools

Early Years Foundation Stage (EYFS) assessments are based on 17 areas of learning, for example, Personal; Social and Emotional; Maths. In order to achieve the 'expected' level of attainment pupils need to achieve the expected level in the first 12 elements.

	cohort	Below expected	Expected	Above expected
LPS	8	37.5%	37.5%	25%
EWPS	8	37.5%	12.5%	50%
CPS	21	24%	57%	19%
BPS	0			

Going Concern

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

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

FINANCIAL REVIEW

Financial Review

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

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2014, total expenditure (excluding restricted fixed assets funds and pensions reserves) of £5,033,989 was covered by recurrent grant funding from the DfE, together with other incoming resources of £5,181,392. The excess of income over expenditure for the year excluding restricted fixed asset funds and pensions reserves was £147,403.

At 31 August 2014 the net book value of fixed assets was £13,902,022 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The balance of the former school's budget share was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees 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. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £518,960, of which £449,193 is free reserves.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy Trust.

Investment Policy

All funds surplus to immediate requirements may be invested in accordance with the Academy's Investment Policy Statement, a copy of which is available from the Company Secretary.

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts or

**CHULMLEIGH ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

invested in individual fixed income securities such as Certificates of Deposit, U.K Treasury Bonds, and other similar instruments with an average duration of less than one year to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any investment shall therefore be with providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Executive Headteacher and Business Manager in accordance with the Academy's Investment Policy Statement

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year virtually all of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with the Chulmleigh Learning Community schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Academy Improvement Plan, which is available on our website <http://www.chulmleigh.devon.sch.uk> or from the Company Secretary.

**CHULMLEIGH ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

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.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on~~16/12/14~~... and signed on the board's behalf by:



Stephen Baber
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chulmleigh 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 Trustees' responsibilities statement. The Board of Trustees has formally met 9 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
Stephen Baber, Chair of Trustees	5	5
Gary Barlow	5	5
Rosemary Cheetham, Staff Trustee	4	5
Mark Corden	2	3
Juliet Doswell	1	1
Keith Greenwood	5	5
Michael Johnson, Chief Executive	5	5
Timothy Newman	5	5
Laurence Oldman	3	4
Paul Osbourne	1	1
Tamsin Partridge, Staff Trustee	3	5
Debbie Szydlowski	3	5
David Worden	5	5

The Board of Trustees identified a need for Trustees with commercial expertise to be appointed to balance the high level of education-based experience of the Board members, and appointed Mark Corden and Paul Osbourne to fill these roles. There is currently one vacancy on the Board.

In terms of particular challenges this year, three of the primary schools had section 5 Ofsted inspections this year, with successful outcomes, and the curriculum and GCSE results at the College remain a focus.

At the College, the third bid for money from the Academies Capital Maintenance Fund was unsuccessful, but phase-2 completed in budget, and a further bid for phase 3 will be entered in 2014.

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is laid out in the terms of reference attached as appendix A. The committee met regularly to consider the matters within its remit, including budgetary and financial matters, and to consider the internal auditor's quarterly reports.

During the year Mark Corden joined the committee, and Laurence Oldman left it.

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Stephen Baber	4	4
Keith Greenwood	3	4
Gary Barlow	4	4
Debbie Szydlowski	3	4
David Worden	3	4
Mark Corden	2	3
Laurence Oldman	1	3
Michael Johnson	4	4

The Audit Committee is also a sub-committee of the main Board of Trustees. There were no audit related issues in the period 1 September 2013 to 31 August 2014 and the committee was therefore not required to convene any meetings.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Chulmleigh Academy Trust for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy 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 ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- 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 to appoint Thompson Jenner LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

The auditor has delivered their schedule of work as planned, and identified no material control issues in the period 1 September 2013 to 31 August 2014.


REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Headteacher 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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 16/12/14 and signed on its behalf, by:



Stephen Baber
Chair of Trustees



Michael Johnson
Accounting Officer

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Chulmleigh Academy Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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 Board of Trustees 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'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.



Michael Johnson
Accounting Officer

Date: 16/12/14



**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees (who act as governors of Chulmleigh Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Stephen Baber
Chair of Trustees

Date: 16/12/14

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHULMLEIGH ACADEMY TRUST

We have audited the financial statements of Chulmleigh Academy Trust for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report 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 Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

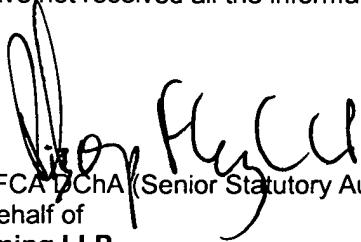
**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHULMLEIGH ACADEMY TRUST

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.


Tim Borton FCA DChA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 18/12/14

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHULMLEIGH ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19 October 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 Chulmleigh Academy Trust during the year 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 Chulmleigh Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chulmleigh Academy Trust and 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 Chulmleigh Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CHULMLEIGH ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Chulmleigh Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 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 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's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.


We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHULMLEIGH
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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


Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS
Date: 18/12/14

CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	As restated Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	58,818	128,933	-	187,751	142,313
Activities for generating funds	3	52,207	-	-	52,207	54,814
Investment income	4	21,307	-	-	21,307	4,140
Incoming resources from charitable activities	5	238,111	4,682,016	1,586,160	6,506,287	7,394,405
TOTAL INCOMING RESOURCES		370,443	4,163,071	2,234,038	6,767,552	7,595,672
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs		70,165	378	-	70,543	77,619
Charitable activities		226,320	4,767,815	387,465	5,381,600	6,203,018
Governance costs	9	-	80,311	-	80,311	42,861
TOTAL RESOURCES EXPENDED	6	296,485	4,848,504	387,465	5,532,454	6,323,498
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		73,958	(685,433)	1,846,573	1,235,098	1,272,174
Transfers between Funds	20	-	(280,966)	280,966	-	-
NET INCOME FOR THE YEAR		73,958	(966,399)	2,127,539	1,235,098	1,272,174
Actuarial gains and losses on defined benefit pension schemes		-	(133,000)	-	(133,000)	(65,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		73,958	(1,099,399)	2,127,539	1,102,098	1,207,174
Total funds at 1 September		375,235	(1,355,712)	12,700,784	11,720,307	10,513,133
TOTAL FUNDS AT 31 AUGUST		449,193	(2,455,111)	14,828,323	12,822,405	11,720,307

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

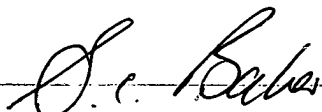
The notes on pages 24 to 45 form part of these financial statements.

CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07697698

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	As restated 2013 £
FIXED ASSETS					
Tangible assets	16		13,902,022		11,988,580
CURRENT ASSETS					
Stocks	17	7,810		2,000	
Debtors	18	395,314		161,798	
Cash at bank and in hand		1,062,614		1,648,811	
		<u>1,465,738</u>		<u>1,812,609</u>	
CREDITORS: amounts falling due within one year	19	(668,355)		(447,882)	
NET CURRENT ASSETS			<u>797,383</u>		<u>1,364,727</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,699,405</u>		<u>13,353,307</u>
Defined benefit pension scheme liability	26		<u>(1,877,000)</u>		<u>(1,633,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>12,822,405</u></u>		<u><u>11,720,307</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	20	69,767		277,288	
Fixed asset funds	20	14,180,445		12,700,784	
Restricted funds excluding pension liability		<u>14,250,212</u>		<u>12,978,072</u>	
Pension reserve		<u>(1,877,000)</u>		<u>(1,633,000)</u>	
Total restricted funds			<u>12,373,212</u>		<u>11,345,072</u>
Unrestricted funds	20		<u>449,193</u>		<u>375,235</u>
TOTAL FUNDS			<u><u>12,822,405</u></u>		<u><u>11,720,307</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 16/12/14 and are signed on their behalf, by:



Stephen Baber
Chair of Trustees

The notes on pages 24 to 45 form part of these financial statements.

CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	22	112,174	(880,779)
Returns on investments and servicing of finance	23	21,307	4,140
Capital expenditure and financial investment	23	(719,678)	1,339,327
(DECREASE)/INCREASE IN CASH IN THE YEAR		(586,197)	462,688

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(586,197)	462,688
MOVEMENT IN NET FUNDS IN THE YEAR	(586,197)	462,688
Net funds at 1 September 2013	1,648,811	1,186,123
NET FUNDS AT 31 AUGUST 2014	1,062,614	1,648,811

The notes on pages 24 to 45 form part of these financial statements.

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

Guidance in the Accounts Direction 2013 - 2014 has changed from last year and where this impacts the comparative figures these have been adjusted.

1.2 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 provided to the Academy 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.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy 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 the Academy's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

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

1. ACCOUNTING POLICIES (continued)

1.4 RESOURCES EXPENDED

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

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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 are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	2% Straight line
Motor vehicles	-	25% reducing balance
Furniture and Equipment	-	20% Straight line
Computer equipment	-	33.33% Straight line

1.6 OPERATING LEASES

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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

1. ACCOUNTING POLICIES (continued)

1.8 TAXATION

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 PENSIONS

Retirement benefits to employees of the Academy 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.

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 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 26, the TPS is a multi-employer scheme and the Academy 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 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 the 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 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. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	58,818	128,933	187,751	142,313

CHULMLEIGH ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Lettings	12,688	-	12,688	13,642
Consultancy	3,300	-	3,300	-
Fees received	1,309	-	1,309	(683)
Library	34,910	-	34,910	41,855
	<u>52,207</u>	<u>-</u>	<u>52,207</u>	<u>54,814</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest	21,307	-	21,307	4,140
	<u>21,307</u>	<u>-</u>	<u>21,307</u>	<u>4,140</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA grants				
Capital Grants	-	1,586,160	1,586,160	2,600,944
General Annual Grant	-	4,362,128	4,362,128	4,180,724
Other DfE/EFA grants	-	155,547	155,547	119,160
	<u>-</u>	<u>6,103,835</u>	<u>6,103,835</u>	<u>6,900,828</u>
Other government grants				
High Needs	-	113,620	113,620	196,207
Other government grants non capital	-	50,721	50,721	67,231
	<u>-</u>	<u>164,341</u>	<u>164,341</u>	<u>263,438</u>
Other funding				
Internal catering income	210,572	-	210,572	193,666
Sales to students	24,606	-	24,606	33,115
Other	2,933	-	2,933	3,358
	<u>238,111</u>	<u>-</u>	<u>238,111</u>	<u>230,139</u>
	<u>238,111</u>	<u>6,268,176</u>	<u>6,506,287</u>	<u>7,394,405</u>

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

6. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2014	Premises	Other	2014	2013
	£	2014	2014	£	£
Cost of activities for generating funds	22,276	-	48,267	70,543	77,619
COSTS OF GENERATING FUNDS	22,276	-	48,267	70,543	77,619
Direct Costs - Education	3,118,656	318,067	341,668	3,778,391	3,528,345
Support costs - Education	664,536	351,419	587,254	1,603,209	2,674,673
CHARITABLE ACTIVITIES	3,783,192	669,486	928,922	5,381,600	6,203,018
GOVERNANCE	55,493	-	24,818	80,311	42,861
	3,860,961	669,486	1,002,007	5,532,454	6,323,498

7. DIRECT COSTS

	Total	Total
	2014	2013
	£	£
Pension finance costs	59,000	43,000
Educational supplies	89,356	121,039
Examination fees	42,800	46,557
Staff development	17,653	18,456
Other costs	132,859	91,424
Supply teachers	72,961	77,794
Wages and salaries	2,487,611	2,409,746
National insurance	170,985	149,490
Pension cost	387,099	361,341
Depreciation	318,067	209,498
	3,778,391	3,528,345

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8. SUPPORT COSTS

	Total 2014 £	Total 2013 £
Other costs	705	616
Recruitment and other staff costs	21,038	14,534
Maintenance of premises and equipment	103,462	88,072
Cleaning	59,535	58,914
Rent and rates	40,950	41,265
Heat and light	78,074	83,507
Insurance	73,541	79,570
Security and transport	37,388	17,437
Catering	115,178	124,560
Technology costs	140,216	104,571
Office overheads	122,071	151,279
Legal and professional	77,053	53,244
Bank interest and charges	64	129
(Profit) / Loss on disposal of fixed assets	-	1,153,286
Wages and salaries	572,045	558,341
National insurance	27,258	25,819
Pension cost	65,233	70,989
Depreciation	69,398	48,540
	<u>1,603,209</u>	<u>2,674,673</u>

9. GOVERNANCE COSTS

	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	11,991	11,991	7,500
Responsible Officer Costs	1,795	1,795	2,865
Legal and Professional	10,391	10,391	-
Other costs	641	641	1,230
Governance expense - wages and salaries	44,746	44,746	25,095
Governance expense - national insurance	3,516	3,516	3,750
Governance expense - pension costs	7,231	7,231	2,421
	<u>80,311</u>	<u>80,311</u>	<u>42,861</u>

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	387,465	258,038
Operating lease expenses	<u>13,778</u>	<u>13,287</u>

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

11. AUDITORS' REMUNERATION

	2014 £	2013 £
Fees payable to the Academy's auditor and its associates for the audit of the Academy's annual accounts	7,960	7,750
Fees payable to the Academy's auditor and its associates in respect of:		
All other services not included above	4,031	3,650
	<u>7,960</u>	<u>7,750</u>

12. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	3,104,000	3,017,613
Social security costs	202,141	179,474
Pension costs	459,563	434,751
	<u>3,765,704</u>	<u>3,631,838</u>
Supply teacher costs	72,961	77,794
Staff restructuring cost	22,296	-
	<u>3,860,961</u>	<u>3,709,632</u>

b. Staff severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £15,000 (2013: £nil). This was paid to one individual.

c. Staff numbers

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

	2014 No.	2013 No.
Management	8	9
Teachers	43	43
Administration and support	66	67
	<u>117</u>	<u>119</u>

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

12. STAFF (continued)

d. Higher paid staff

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

	2014	2013
	No.	No.
In the band £70,001 - £80,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this staff member amounted to £10,881 (2013: £10,774).

13. CENTRAL SERVICES

The Academy has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Legal and professional services
- Educational support services
- Catering Services

The Academy charges for these services on the following basis:

Central costs are split between academies on a percentage based on pupil numbers and High Needs distribution:

Chulmleigh Community College - 60%
Chulmleigh Primary School - 22%
East Worlington Primary School - 6%
Burrington Primary School - 6%
Lapford Primary School - 6%

Catering costs are split on the following percentages:

Chulmleigh Community College - 90%
Chulmleigh Primary School - 4%
East Worlington Primary School - 4%
Burrington Primary School - 2%
Lapford Primary School - 0%

The actual amounts charged during the year were as follows:

	2014
	£
Chulmleigh Community College	236,686
Chulmleigh Primary School	25,722
East Worlington Primary School	8,929
Burrington Primary School	15,628
Lapford Primary School	13,141
	300,106
Total	300,106

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14. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any reimbursement of expenses (2013: £NIL).

The Executive Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the academy in respect of their role as Trustees. The value of Trustees' remuneration for the period when they were a director was as follows: M Johnson £75,000 - £80,000, R Cheetham £40,000 - £45,000 and T Partridge £25,000 - £30,000. The value of Trustees' remuneration for the period ended 31 August 2013 was as follows: M Johnson £75,000 - £80,000, R Cheetham £40,000 - £45,000, L Manton £5,000 - £10,000 and T Partridge £10,000 - £15,000.

15. 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 was £1,010 (2013: £917). The cost of this insurance is included in the total insurance cost.

16. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Furniture and Equipment £	Computer equipment £	Total £
COST					
At 1 September 2013 (as previously stated)	11,395,212	-	316,060	144,107	11,855,379
Prior year adjustment	647,878	-	-	-	647,878
At 1 September 2013 (as restated)	12,043,090	-	316,060	144,107	12,503,257
Additions	2,144,247	25,470	38,662	92,528	2,300,907
At 31 August 2014	14,187,337	25,470	354,722	236,635	14,804,164
DEPRECIATION					
At 1 September 2013	311,730	-	99,271	103,676	514,677
Charge for the year	247,968	6,368	69,121	64,008	387,465
At 31 August 2014	559,698	6,368	168,392	167,684	902,142
NET BOOK VALUE					
At 31 August 2014	13,627,639	19,102	186,330	68,951	13,902,022
At 31 August 2013 (as restated)	11,731,360	-	216,789	40,431	11,988,580

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16. TANGIBLE FIXED ASSETS (continued)

Included in land and buildings is land at valuation of £1,738,045.

Burrington Primary School has been granted use of the school buildings from The Diocese of Exeter, under a supplemental agreement that does not require the school to pay rent. That agreement includes a two year notice period and, as a result, in previous years, the Trustees have not recognised the value of land and buildings in the Multi Academy Trust's accounts. However, such notice is unlikely to be exercised other than in exceptional circumstances. Following a reconsideration of the facts and further guidance that the Trustees have received, they have now concluded that the value of the land and buildings should be recognised in the accounts. This is on the basis that the Multi Academy Trust is compliant with the Supplemental Agreement, there is no indication that the notice clause will be invoked and the risks and rewards of ownership of the property have transferred to the Academy.

The land and buildings at Burrington Primary School were valued at £658,042 on 31 August 2012. The financial impact of this change in accounting policy is to have restated the reserves brought forward at 1 September 2013 (the start of the comparative period) by the depreciated value of £647,878.

Additionally the playing field and small piece of land adjacent to the main building at Burrington Primary School is leased from Devon County Council on a 125 year lease. There is no separate valuation of this land, but the directors believe that this is likely to be a small proportion of the land value occupied by Burrington Primary School.

17. STOCKS

	2014 £	2013 £
Kitchen and uniform stock	7,810	2,000

18. DEBTORS

	2014 £	2013 £
Trade debtors	7,241	5,108
Prepayments and accrued income	204,498	69,739
Tax recoverable	183,575	86,951
	<u>395,314</u>	<u>161,798</u>

**19. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Trade creditors	202,185	179,961
Other taxation and social security	61,011	62,699
Other creditors	108,105	55,593
Accruals and deferred income	297,054	149,629
	<u>668,355</u>	<u>447,882</u>

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19. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	£
DEFERRED INCOME	
Deferred income at 1 September 2013	36,510
Resources deferred during the year	24,321
Amounts released from previous years	(36,510)
	<u>24,321</u>
Deferred income at 31 August 2014	<u>24,321</u>

At the balance sheet date the Academy was holding funds received in advance for trips booked for the autumn term 2014.

20. STATEMENT OF FUNDS

	Brought Forward As restated £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	375,235	370,443	(296,485)	-	-	449,193
RESTRICTED FUNDS						
General Annual Grant (GAG)	277,288	4,362,128	(4,288,683)	(280,966)	-	69,767
High Needs	-	113,620	(113,620)	-	-	-
Pupil Premium	-	155,547	(155,547)	-	-	-
Other Government Grants	-	50,721	(50,721)	-	-	-
Other restricted donations	-	128,933	(128,933)	-	-	-
Pension reserve	(1,633,000)	-	(111,000)	-	(133,000)	(1,877,000)
	<u>(1,355,712)</u>	<u>4,810,949</u>	<u>(4,848,504)</u>	<u>(280,966)</u>	<u>(133,000)</u>	<u>(1,807,233)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	9,429,126	-	(191,651)	-	-	9,237,475
Fixed assets purchased from GAG	34,668	-	(36,664)	280,966	-	278,970
DfE/EFA Capital grants	193,096	33,331	(52,138)	-	-	174,289
Maintenance Fund Grant	3,018,299	1,552,829	(106,548)	-	-	4,464,580
Other restricted asset fund	25,595	-	(464)	-	-	25,131
	<u>12,700,784</u>	<u>1,586,160</u>	<u>(387,465)</u>	<u>280,966</u>	<u>-</u>	<u>14,180,445</u>
Total restricted funds	<u>11,345,072</u>	<u>6,397,109</u>	<u>(5,235,969)</u>	<u>-</u>	<u>(133,000)</u>	<u>12,373,212</u>
Total of funds	<u>11,720,307</u>	<u>6,767,552</u>	<u>(5,532,454)</u>	<u>-</u>	<u>(133,000)</u>	<u>12,822,405</u>

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

Restricted Funds

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Other DfE/EFA Grants - This represents other various income received from the DfE/EFA with restrictions which were fully spent in the period.

Other Government Grants - This represents other various income received with restrictions which were fully spent in the period.

Other Restricted Donations - This represents general donations to be used for the normal running of the Academy, including education and support costs and educational trip income.

Pension Reserve - This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Restricted Fixed Asset Funds

Fixed Assets Transferred on Conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed Assets Purchased from GAG - This represents funds transferred from the restricted GAG fund to purchase fixed assets.

DfE/EFA Capital Grants - These funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets and any unspent grant amounts.

Maintenance Fund Grant - This represents funds that were received for the construction and maintenance

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20. STATEMENT OF FUNDS (continued)

of school assets.

Other Restricted Asset Fund - This represents various other funds that were received for the specific purpose of purchasing and maintaining fixed assets.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2014 were allocated as follows:

	Total £
Chulmleigh Community College	469,066
Chulmleigh Primary School	45,895
East Worlington Primary School	48,587
Burrington Primary School	49,076
Lapford Primary School	(93,664)
	<hr/>
Total before fixed asset fund and pension reserve	518,960
Restricted fixed asset fund	14,180,445
Pension reserve	(1,877,000)
	<hr/>
Total	12,822,405
	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £
Lapford Primary School	(93,664)

Lapford Primary School is carrying a deficit because when it joined the Academy Trust it was in a deficit position with standards that needed to be addressed.

The Academy is taking the following action to return the academy to surplus:

The Board of Trustees has made a decision to invest in the school (time limited to three years) to raise standards and increase pupil numbers. The formula which will be applied to the additional funds from the Fairer Funding allocation (Devon will receive these from April 2015) will go some way to addressing budget deficits in the small schools.

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciatio n £	Total £
Chulmleigh Community College	2,197,392	174,068	150,181	852,836	3,374,477
Chulmleigh Primary School	644,783	15,865	34,563	189,645	884,856
East Worlington Primary School	171,322	12,418	18,217	40,676	242,633
Burrington Primary School	180,133	28,540	9,204	20,882	238,759
Lapford Primary School	189,903	5,663	22,187	77,153	294,906
	<u>3,383,533</u>	<u>236,554</u>	<u>234,352</u>	<u>1,181,192</u>	<u>5,035,631</u>

SUMMARY OF FUNDS

	Brought Forward As restated £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	375,235	370,443	(296,485)	-	-	449,193
Restricted funds	(1,355,712)	4,810,949	(4,848,504)	(280,966)	(133,000)	(1,807,233)
Restricted fixed asset funds	12,700,784	1,586,160	(387,465)	280,966	-	14,180,445
	<u>11,720,307</u>	<u>6,767,552</u>	<u>(5,532,454)</u>	<u>-</u>	<u>(133,000)</u>	<u>12,822,405</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	13,902,022	13,902,022	11,340,702
Current assets	449,193	738,122	278,423	1,465,738	1,812,609
Creditors due within one year	-	(668,355)	-	(668,355)	(447,882)
Pension-scheme-liability	-	(1,877,000)	-	(1,877,000)	(1,633,000)
	<u>449,193</u>	<u>(1,807,233)</u>	<u>14,180,445</u>	<u>12,822,405</u>	<u>11,720,307</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	1,235,098	1,272,174
Returns on investments and servicing of finance	(21,307)	(4,140)
Depreciation of tangible fixed assets	387,465	258,038
Capital grants from DfE	(1,586,160)	(2,600,944)
Increase in debtors	(183,536)	(77,453)
Increase in creditors	169,614	190,546
FRS17 pension finance (income)/cost	59,000	43,000
FRS17 pension costs less contributions paid	52,000	38,000
NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS	112,174	(880,779)

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	21,307	4,140
	2014 £	2013 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(2,255,858)	(2,414,903)
Loss on disposal of fixed assets	-	1,153,286
Capital grants from DfE	1,536,180	2,600,944
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE	(719,678)	1,339,327

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	1,648,811	(586,197)	-	1,062,614
NET FUNDS	1,648,811	(586,197)	-	1,062,614

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

25. CAPITAL COMMITMENTS

At 31 August 2014 the Academy had capital commitments as follows:

	2014	2013
	£	£
Contracted for but not provided in these financial statements	14,000	759,300

26. PENSION COMMITMENTS

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

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

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

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

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

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

26. PENSION COMMITMENTS (continued)

was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

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

Teachers' Pension Scheme Changes

Lord Hutton 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 from April 2012 on a 40:80:100% basis.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £219,000, of which employer's contributions totalled £168,000 and employees' contributions totalled £51,000. The agreed contribution rates for future years are 19.7% for employers and 5.5 - 7.5% for employees.

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.

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26. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities and gilts	6.40	1,041,000	6.00	1,034,000
Bonds	3.60	65,000	-	-
Property	5.90	155,000	6.00	128,000
Cash	2.90	33,000	0.50	43,000
Target return portfolio	5.90	232,000	4.70	213,000
Infrastructure and alternative assets	4.50	74,000	-	-
Total market value of assets		<u>1,600,000</u>		<u>1,418,000</u>
Present value of scheme liabilities		<u>(3,477,000)</u>		<u>(3,051,000)</u>
(Deficit)/surplus in the scheme		<u><u>(1,877,000)</u></u>		<u><u>(1,633,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(3,477,000)	(3,051,000)
Fair value of scheme assets	<u>1,600,000</u>	<u>1,418,000</u>
Net liability	<u><u>(1,877,000)</u></u>	<u><u>(1,633,000)</u></u>

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

	2014 £	2013 £
Current service cost	(220,000)	(196,000)
Interest on obligation	(149,000)	(104,000)
Expected return on scheme assets	<u>90,000</u>	<u>61,000</u>
Total	<u><u>(279,000)</u></u>	<u><u>(239,000)</u></u>

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26. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening defined benefit obligation	3,051,000	2,559,000
Current service cost	220,000	196,000
Interest cost	149,000	104,000
Contributions by scheme participants	51,000	48,000
Actuarial Losses	48,000	162,000
Benefits paid	(42,000)	(18,000)
	<u>3,477,000</u>	<u>3,051,000</u>
Closing defined benefit obligation	<u>3,477,000</u>	<u>3,051,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	1,418,000	1,072,000
Expected return on assets	90,000	61,000
Actuarial gains and (losses)	(85,000)	97,000
Contributions by employer	168,000	158,000
Contributions by employees	51,000	48,000
Benefits paid	(42,000)	(18,000)
	<u>1,600,000</u>	<u>1,418,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activity was £450,000 loss (2013: £317,000 loss).

The Academy expects to contribute £162,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Gilts and equities	65.00 %	73.00 %
Bonds	4.00 %	- %
Property	10.00 %	9.00 %
Cash	2.00 %	3.00 %
Target return portfolio	14.00 %	15.00 %
Infrastructure and target portfolio	5.00 %	- %

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

	2014	2013
Discount rate for scheme liabilities	4.00 %	7.00 %
Expected return on scheme assets at 31 August	6.00 %	6.00 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.90 %

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26. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	22.7	20.6
Females	26.0	24.6
Retiring in 20 years		
Males	24.9	22.6
Females	28.3	26.5

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit obligation	(3,477,000)	(3,051,000)	-	-	-
Scheme assets	1,600,000	1,418,000	-	-	-
Deficit	(1,877,000)	(1,633,000)	-	-	-
Experience adjustments on scheme liabilities	(48,000)	(162,000)	-	-	-
Experience adjustments on scheme assets	(85,000)	97,000	-	-	-

27. OPERATING LEASE COMMITMENTS

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

	2014 £	2013 £
EXPIRY DATE:		
Within 1 year	4,588	626
Between 2 and 5 years	6,802	12,040

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28. RELATED PARTY TRANSACTIONS

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 trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

With the exception of those stated in note 14, no related party transactions took place during the period of account.

29. PRIOR YEAR ADJUSTMENT

As explained in note 16, reserves representing restricted fixed asset funds brought forward at 1 September 2013 have been increased by the value of land and buildings leased from the Diocese of Exeter. The amount of the increase was £647,878.