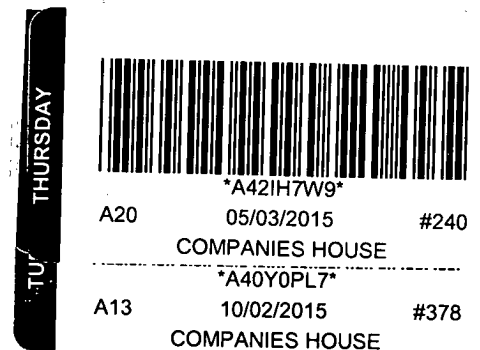




**West Nottinghamshire Educational Trust
(A Company Limited by Guarantee)**

**Annual Report
and Financial Statements**

For the period to 31 August 2014



Company Registration Number: 08337041(England & Wales)

West Nottinghamshire Educational Trust Contents

Item	Page
Reference and Administrative Details	2
Trustees' Report	3
Governance Statement	7
Statement on Regularity, Propriety and Compliance	11
Statement of Trustees' Responsibilities	12
Independent Auditor's Report on the Financial Statements	13
Independent Reporting Accountant's Report on Regularity	14
Statement of Financial Activities incorporating Income & Expenditure Account	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	19
Other Notes to the Financial Statements	23

West Nottinghamshire Educational Trust

Reference and Administrative Details

Members: Dame Asha Khemka
Patricia Harman
Andrew Martin

Trustees: Dame Asha Khemka (Chair)
Patricia Harman
Andrew Martin
Andy Campbell (ex-officio)

Company Secretary: Maxine Bagshaw

Senior Management:

- **Principal** Andy Campbell
- **Assistant Principal** Emmett Bunting

Registered Office: C/o West Nottinghamshire College
Derby Road
Mansfield
Notts
NG18 5BH

Company Registration Number: 08337041

Independent Auditor: Mazars LLP
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Bankers: Lloyds Bank
PO Box 1000
Andover
BX1 1LT

Solicitors: Freeths LLP
Power House
Harrison Close
Knowlhill
Milton Keynes
MK5 8PA

Trustees' Report

The trustees present their first annual report together with the financial statements and auditors' report of West Nottinghamshire Educational Trust a charitable company for the period from 01 July 2013 to 31 August 2014. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law. The report is produced for the period of 14 months following a period of dormancy since incorporation in December of 2012.

The trust has been established to operate a Studio School academy specialising in the vocations of engineering and health and care occupations. During the reporting period the trust activities focused on the preparation of the school and recruitment of students for the planned opening of the school on 01 September 2014.

The school will serve students aged between 14 and 19 in the Mansfield area in North West Nottinghamshire. The school will have a capacity of 300 students when full.

Structure, Governance and Management

The West Nottinghamshire Educational Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The trustees of West Nottinghamshire Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Vision Studio School. Details of the trustees who served during the year are included in the Reference and Administrative Details on page three.

Members Liability

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

Trustees' Indemnities

No indemnities have been entered into by the Academy with third parties on behalf of Trustees.

Method of Recruitment and Appointment or Election of Trustees

For the period covered by first annual report, the Academy Trust has comprised three Sponsor Trustees, appointed by West Nottinghamshire College as Principal Sponsor, and an ex officio, the Academy's Principal Designate. Additional Trustees will be appointed in line with the Articles of Association once the School opens in September 2014.

When Vision Studio School opens in September 2014, the Academy Trust shall have the following Trustees:-

- Up to six Sponsor Trustees, to be appointed by West Nottinghamshire College as Principal Sponsor.
- Two Parent Trustees, to be elected by parents of the registered students at the Academy.
- One Staff Trustee, to be elected under arrangements approved by the Governing Body.
- The Principal of the Academy.
- Any additional or further Trustees who may from time to time, and in accordance with relevant provisions of the Academy's Articles of Association, be appointed by the Secretary of State for Education.

Policies and Procedures Adopted for the Induction and Training of Trustees

These policies and procedures are currently under development, for determination and agreement by the Trustees before the Academy becomes operational in September 2014.

Organisational Structure

West Nottinghamshire Educational Trust is currently in the implementation phase of its development and the operational structure is still being developed in line with the Department for Education (DfE) guidelines for Academies.

The management structure will consist of three levels; the Trustees, the Senior Leadership Team and the Extended Leadership Team. The aim of this management structure is to devolve responsibility and encourage involvement in decision making at all levels.

Connected Organisations Including Related Party Relationships

West Nottinghamshire Educational Trust is sponsored by West Nottinghamshire College. The sponsor provides strategic support, makes appointments of Trustees and makes available facilities and support. Where such support is chargeable, it is in line with the Academies Financial Handbook.

Objectives and Activities

Objectives and Aims

The principal objectives and activity of the West Nottinghamshire Educational Trust is to provide education of students of different abilities between the ages of 14 and 19 with an emphasis on engineering and health care.

In accordance with the articles of association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should align itself with the

substance of the national curriculum.

The main objectives of the Trustees during the period ended 31 August 2014 was to secure and deploy funding working in collaboration with West Nottinghamshire College to enable the establishment of Vision Studio School.

The Trustees during the course of the implementation phase will be overseeing the development of policies to ensure that:-

- Every child enjoys the same high quality education in terms of resourcing, tuition and care;
- All students achieve their maximum potential educationally;
- The Academy is effective by developing the curriculum and organisation structure;
- Value for money for the funds expended;
- The Academy will comply with all appropriate statutory and curriculum requirements;
- Close links with industry and commerce are established; and
- The Academy's business is conducted in accordance with the highest standards of integrity, probity and openness.

The Trustees are aware of and have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charities Commission.

Strategic Report

Achievements and Performance

During the accounting period the Trust has received a pre-opening grant of £300,000 from the Department for Education in order to develop the structure, curriculum and processes to enable Vision Studio School to open its doors to new students on 01 September 2014.

During this time, the School has establishment the necessary policies and procedures, recruited students, secured the engagement of employers and appointed staff to enable the Education Funding Agency to issue a funding agreement on 07 February 2014 which allows the School to open.

In addition, the School has secured premises under long term lease which have been refurbished under a grant provided by the Education Funding Agency to create an appropriate learning environment.

Plans for Future Periods

The Academy will open to student in years 10 and 12 in September 2014. Additional staffing resources will be engaged by the school to commence employment at this time. The existing links with industry will be further built on to ensure that the curriculum is developed with employers.

Public Benefit

The principal object of the company is to operate West Nottinghamshire Educational Trust to advance for public benefit education for students of different abilities between the ages of 14 and 19 with an emphasis on engineering and health care. The Trustees confirm that they have referred to the Charities Commission general guidance on public benefit when establishing the Academy's aims and objectives.

Once the Academy is open students will be educated at no cost to parents of children from the Mansfield area. The Academy will consider all applications for places and will not select on the basis of ability for admission at year 10 and year 12.

Going Concern

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

Financial Review

The Academy was awarded a grant of £300,000 by the Department for Education in May 2013 as an initial set up grant for the period until the Academy opens in September 2014. This was based upon the original application for funding from which the detailed profiled budget for this initial period was agreed. Actual expenditure is monitored against budget and the budget is amended as necessary to ensure that expenditure is managed within the awarded set up grant.

It is anticipated that neither surpluses nor losses will be accumulated within reserves during the set up period. Thus neither reserves nor investment policies have been established at this stage, these will be developed in advance of the Academy opening in September 2014.

In the first accounting period to 31 August 2014, £246,726 of expenditure was claimed against the awarded grant.

Principal Risks and Uncertainties

The principal risk that the new Academy faces is in relation to the recruitment of a sufficient number of students in advance of opening in September 2014. However, the Academy is working closely with local community to ensure that students within the catchment area are aware of this specialist provision for those with an interest in engineering and health care and the Studio School concept. The Academy is being actively marketed and, in addition, all local schools have been informed.

The Academy will be situated in a building currently used for education which is being refurbished by the EFA and is due for completion in September 2014. Trustees attend project management

meetings to ensure that construction is on course to enable the Academy to open on time.

The current employees and future academic employees of the Academy will be members of the Teachers' Pension Scheme which is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is substantially a 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. The TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

The pension arrangements for administrative support staff will be eligible for admission to the Nottinghamshire County Council Local Government Pension Scheme which is a defined benefit funded pension scheme.

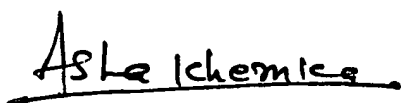
Auditor

The Trustees appointed Mazars LLP as auditors for the Academy for the first period of account to 31 August 2014.

In so far as the Trustees are aware:-

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

Trustees report, approved by order of the Board of Trustees, as the Company directors on 15 December 2014 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'Asha Khemka', written over a horizontal line.

Dame Asha Khemka OBE
Trustee

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between West Nottinghamshire Educational Trust and the Secretary of State for Education. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the period. Attendance during the year at meetings of the board of trustees was as follows:

	Meetings Attended	Out of a Possible
Dame Asha Khemka (Chair)	3	3
Patricia Harman	3	3
Andrew Martin	3	3
Andy Campbell (appointed 11/04/14) (Principal & Accounting Officer)	3	3

The board of trustees intends to carry out a regular review of governance through a self-evaluation process which will take place for the first time during the 2014/15 financial year and be reported in August 2015.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently and economically. The system of internal control has been in place in West Nottinghamshire Educational Trust for the period from 01 July 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 01 July 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 Governing Body.

The Risk and Control Framework

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

- Budgetary and monitoring systems with a budget for the initial set up period and the first year of operation, and periodic financial reports which are received and agreed by the Trustees; and
- Identification and management of risks.

In the future as policies and committee structures are established the trustees will ensure that the following policies and guidelines are put in place:-

- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines; and
- Delegation of authority and segregation of duties.

The trustees will consider the need for a specific internal audit function or alternative to ensure that there is an independent review of the Academy's financial systems as required by the EFA.

Review of Effectiveness

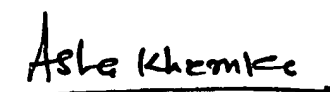
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:-

- The work of the external auditor; and
- The financial management and governance self-assessment process.

Approved by order of the members of the trustees on 15 December 2014 and signed on its behalf by



Andy Campbell
Accounting Officer



Dame Asha Khemka OBE
Trustee

Statement on Regularity, Propriety and Compliance

As accounting officer of West Nottinghamshire Educational Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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



Andy Campbell

Accounting Officer
15 December 2014

Statement of Trustees' Responsibilities

The trustees (who act as trustees for charitable activities of West Nottinghamshire Educational Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency (EFA), 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:-

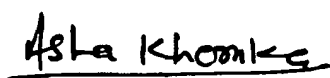
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 on 15 December 2014 and signed on its behalf by:-



Dame Asha Khemka OBE
Trustee

Independent auditor's report to the members of West Nottinghamshire Educational Trust

We have audited the financial statements of West Nottinghamshire Educational Trust for the Period 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, the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

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

Opinion on the other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We report to you if, in our opinion:

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



David Hoose (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Park View House

58 The Ropewalk

Nottingham

NG1 5DW

Date

18/12/14

Independent Reporting Accountant's Assurance Report on Regularity to West Nottinghamshire Educational Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 24 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Nottinghamshire Educational Trust during the period 01 July 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 West Nottinghamshire Educational Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to West Nottinghamshire Educational Trust and the EFA those matters we are required to state to it 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 West Nottinghamshire Educational Trust and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of West Nottinghamshire Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of West Nottinghamshire Educational Trust's funding agreement with the Secretary of State for Education dated 07 February 2014 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 July 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.

Approach

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

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

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

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 July 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Mazars LLP

David Hoose

Mazars LLP
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 18/12/14

Statement of Financial Activities for the period to 31 August 2014

(Including Income and Expenditure Account and Statement of Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2014 £000
Incoming Resources					
<i>Incoming resources from generated funds:</i>					
- Voluntary Income	3	£0.00	£0.00	£0.00	£0.00
- Activities for generating funds	4	£0.00	£0.00	£0.00	£0.00
- Investment Income	5	£0.40	£0.00	£0.00	£0.40
<i>Incoming resources from charitable activities:</i>					
- Funding for the Academy Trusts educational operations	6	£0.00	£300.00	£450.09	£750.09
Total Incoming Resources		£0.40	£300.00	£450.09	£750.49
Resources Expended					
<i>Cost of Generating Funds:</i>					
- Cost of Generating Voluntary Income		£0.00	£0.00	£0.00	£0.00
<i>Charitable Activities:</i>					
- Academy Trust Educational Operations	8	£0.00	£240.34	£18.98	£259.32
Governance Costs	9	£0.00	£6.39	£0.00	£6.39
Total Resources Expended	7	£0.00	£246.73	£18.98	£265.71
Net Incoming/(Expenditure) for the year		£0.40	£53.27	£431.11	£484.78
Net Movement in Funds		£0.40	£53.27	£431.11	£484.78
Reconciliation of Funds					
Total funds brought forward at 01 July 2013		£0.00	£0.00	£0.00	£0.00
Total funds carried forward at 31 August 2014		£0.40	£53.27	£431.11	£484.78

All of the Academy's activities derive from continuing operations during the above financial period.

Balance sheet as at 31 August 2014

	Note	2014 £000	2014 £000
Fixed Assets			
Tangible Assets	13		£431.11
Current Assets			
Stocks	14	£0.00	
Debtors	15	£412.86	
Cash in Hand		£98.85	
		<u>£511.71</u>	
Liabilities			
Creditors: Amounts falling due within one year	16	<u>-£458.04</u>	
Net Current Assets			£53.67
Total Assets less Current Liabilities			£484.78
Net Assets			<u>£484.78</u>
Funds of the Academy Trust:			
Fixed Asset Fund	17	£431.11	
General Fund	17	£53.27	
Pension Reserve	17	£0.00	
Total restricted funds		<u></u>	£484.38
Unrestricted Income Funds:			
General Fund	17	<u>£0.40</u>	
Total unrestricted funds			£0.40
Total Funds			<u>£484.78</u>

The financial statements on pages 16 to 31 were approved by the Trustees, and authorised for issues on 15 December 2014 and are signed on their behalf by:

Asha Khemka

Dame Asha Khemka OBE
Trustee

Cash flow statement for the period ended 31 August 2014

	Note	2014 £000
Net Cash Inflow from Operating Activities	21	£79.47
Returns on investments and Servicing of Finance	22	£0.40
Cash flows from Capital Expenditure	23	£18.98
Increase in cash in the year	24	<u>£98.85</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 01 July 2013		£0.00
Net funds at 31 August 2014		<u>£98.85</u>

Notes

(Forming part of financial Statements)

1. Statement of Accounting Policies

Basis of Preparation

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

Going Concern

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

Incoming Resources

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

- **Grants receivable**

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

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.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Depreciation policy will be determined before the end of the next accounting period.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

The Trust occupies a property leased from West Nottinghamshire College. As the Studio School was not yet open to students at the year-end, the Trustees have concluded that they cannot assess the risks and rewards associated with the lease with sufficient certainty. Accordingly the lease has been treated as an operating lease.

Taxation

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

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teacher's Pension Scheme ('TPS'). This is a defined benefit scheme, which is contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 28, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and will include grants from the EFA and DfE.

2. General Annual Grant (GAG)

Not applicable in year

3. Voluntary Income

	Unrestricted General Funds to 31 August 2014 £000	Restricted Fixed Asset Funds to 31 August 2014 £000	Restricted General Funds to 31 August 2014 £000	Total Funds to 31 August 2014 £000
Private Sponsorship	£0.00	£0.00	£0.00	£0.00
Other Donations	£0.00	£0.00	£0.00	£0.00
	£0.00	£0.00	£0.00	£0.00

4. Activities for Generating Funds

	Unrestricted General Funds to 31 August 2014 £000	Restricted Fixed Asset Funds to 31 August 2014 £000	Restricted General Funds to 31 August 2014 £000	Total Funds to 31 August 2014 £000
Hire of Facilities	£0.00	£0.00	£0.00	£0.00
Catering Income	£0.00	£0.00	£0.00	£0.00
	£0.00	£0.00	£0.00	£0.00

5. Investment Income

	Unrestricted General Funds to 31 August 2014 £000	Restricted Fixed Asset Funds to 31 August 2014 £000	Restricted General Funds to 31 August 2014 £000	Total Funds to 31 August 2014 £000
Short term deposits	£0.40	£0.00	£0.00	£0.40
	£0.40	£0.00	£0.00	£0.40

6. Funding for the Academy Trusts Educational Operations

	Unrestricted General Funds to 31 August 2014 £000	Restricted Fixed Asset Funds to 31 August 2014 £000	Restricted General Funds to 31 August 2014 £000	Total Funds to 31 August 2014 £000
DfE/EFA Revenue Grants				
General Annual Grant (GAG)	£0.00	£0.00	£0.00	£0.00
Start up Grants	£0.00	£300.00	£0.00	£300.00
Capital Grants				
Capital Grants	£0.00	£0.00	£450.09	£450.09
Other DfE/EFA Grants	£0.00	£0.00	£0.00	£0.00
	£0.00	£300.00	£450.09	£750.09

7. Resources Expended

	Staff Costs	Non Pay Expenditure		Total
	£000	Premises £000	Other £000	£000
Costs of generating voluntary income	£0.00	£0.00	£0.00	£0.00
Costs of activities for generating funds	£0.00	£0.00	£0.00	£0.00
Academy Educational Operations:	£0.00	£0.00	£0.00	£0.00
Direct Costs	£114.66	£0.00	£116.20	£230.86
Allocated Support Costs	£21.20	£0.08	£7.18	£28.46
	£135.86	£0.08	£123.38	£259.32
Governance costs including allocated support costs	£0.00	£0.00	£6.39	£6.39
	£135.86	£0.08	£129.77	£265.71

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total	Individual items above £5,000	
	£000	Amount £000	Reason
Ex-gratia/compensation payments	£0.00	£0.00	N/A
Gifts made by the trust	£0.00	£0.00	N/A
Fixed asset losses	£0.00	£0.00	N/A
Unrecoverable debts	£0.00	£0.00	N/A
Cash losses	£0.00	£0.00	N/A

8. Charitable Activities

	Total £000
Direct Costs – Educational Operations	
Teaching & Educational Support Staff Costs	£114.66
Depreciation	£0.00
Technology Costs	£0.11
External Supplies	£82.30
Exam Fees	£0.00
Staff Development	£1.61
Educational Consultancy	£31.41
Other Direct Costs	£0.77
	£230.86
Support Costs – Educational Operations	
Support Staff Costs	£21.20
Depreciation	£0.00
Technology Costs	£0.00
Recruitment and Support	£0.00
Maintenance of premises and equipment	£0.08
Cleaning	£0.00
Rent & Rates	£0.00
Energy Costs	£0.00
Insurance	£0.00
Security & Transport	£0.00
Catering	£0.03
Bank Interest & Charges	£7.15
Other Support Costs	£28.46
	£259.32
Total Direct & Support Costs	£259.32

9. Governance Costs

	Total £000
Legal & Professional Fees	£1.44
Auditors Remuneration:	
- Audit of financial statements	£3.85
- Audit of Academy Accounts Return	£0.75
- Audit of TPS contributions	£0.35
Support staff costs	£0.00
Trustees reimbursed expenses	£0.00
	£6.39

10. Staff Costs

a. Staff Costs

	Total £000
Staff costs during the period were:	
- Wages and Salaries	£111.23
- Social security costs	£10.14
- Pension costs	£14.49
	<u>£135.86</u>

b. Staff severance payments

No payments were made in the year for staff severance.

c. Staff numbers

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

Teachers	0.11
Admin & Support	1.03
Management	1.34
	<u>2.48</u>

d. Higher paid staff

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

£60,001-£70,000	1
-----------------	---

The above employee participated in the Teachers' Pension Scheme. During the period to 31 August 2014 employers' pension contributions amounted to £9,651.

11. Related party transactions – Trustees remuneration and expenses

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

A Campbell (principal and trustee): £60,001 - £70,000

During the period ended 31 August 2014, travel and subsistence expenses of £589 were reimbursed to 1 trustee. Other related party transactions involving the trustees are set out in note 29.

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2014 was provided as part of the sponsor's insurance arrangements and not charged to the Academy.

13. Tangible Fixed Assets

	Assets under construction £000	Fixtures & Fittings £000	Computer Equipment £000	Total £000
Cost				
At 01 July 2013	£0.00	£0.00	£0.00	£0.00
Additions	£289.73	£37.92	£103.46	£431.11
Disposals	£0.00	£0.00	£0.00	£0.00
At 31 August 2014	£289.73	£37.92	£103.46	£431.11
Depreciation				
At 01 July 2013	£0.00	£0.00	£0.00	£0.00
Charged in Year	£0.00	£0.00	£0.00	£0.00
Disposals	£0.00	£0.00	£0.00	£0.00
At 31 August 2014	£0.00	£0.00	£0.00	£0.00
Net book values				
At 31 August 2014	£289.73	£37.92	£103.46	£431.11

14. Stocks

	2014 £000
Clothing	£0.00
Catering	£0.00
	<u>£0.00</u>

15. Debtors

	2014 £000
Trade Debtors	£0.00
VAT Recoverable	£110.65
Other Debtors	£302.21
Prepayments & Accrued Income	£0.00
	£412.86

16. Creditors: amount falling due within one year

	2014 £000
Trade Creditors	£0.00
Taxation and social security	£3.89
Other Creditors	£92.74
Accruals and deferred income	£361.41
	£458.04

17. Funds

	Balance at 01 July 2013 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance at 31 August 2014 £000
Restricted General Funds					
Start Up Grant	£0.00	£300.00	£246.73	£0.00	£53.27
	£0.00	£300.00	£246.73	£0.00	£53.27
Restricted Fixed Asset Funds					
DfE/EFA Capital Grants	£0.00	£450.09	£18.98	£0.00	£431.11
	£0.00	£450.09	£0.00	£0.00	£431.11
Total Restricted Funds	£0.00	£750.09	£265.71	£0.00	£484.38
Unrestricted Funds					
Unrestricted Funds	£0.00	£0.40	£0.00	£0.00	£0.40
Total Unrestricted Funds	£0.00	£0.40	£0.00	£0.00	£0.40
Total Funds	£0.00	£750.49	£265.71	£0.00	£484.78

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

- Start Up Grant - Establish the infrastructure, policies, procedures and curriculum in advance of opening the Academy in September 2014.
- DfE/EFA Capital Grant - Used to refurbish the School buildings for opening in September 2014.
- Unrestricted Funds - Generated through interest received on bank balances for the period.

18. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets	£0.00	£0.00	£431.11	£431.11
Current Assets	£0.40	£511.71	£0.00	£511.71
Current Liabilities	£0.00	-£458.04	£0.00	-£458.04
Total Net Assets	£0.40	£53.67	£431.11	£484.78

19. Capital Commitments

	2014 £000
Contracted for but not provided in the Financial Statements	£421.19

20. Financial Commitments

	2014 £000
Not Applicable	

21. Reconciliation of net income to net cash inflow from operating activities

	2014 £000
Net Income	£484.78
Depreciation (Note 13)	£0.00
Capital grants from DfE	-£450.09
Interest Receivable (Note 5)	-£0.40
(increase)/decrease in Debtors	-£412.86
Increase/(decrease) in Creditors	£458.04
Net cash inflow from operating activities	£79.47

22. Returns on investment and servicing of finance

	2014 £000
Interest received	£0.40
Net cash inflow from returns on investment and servicing of finance	£0.40

23. Capital Expenditure and Financial Investment

	2014 £000
Purchase of tangible fixed assets	-£431.11
Capital grants from DfE	£450.09
Net cash flow from capital investment and financial investment	£18.98

24. Analysis of change in net funds

	At 01 July 2013 £000	Cash Flows £000	As at 31 August 2014 £000
Cash at bank and in hand	£0.00	£98.85	£98.85
	£0.00	£98.85	£98.85

25. Guarantees, Letter of Comfort & Indemnities

	2014 £000
Not Applicable	

26. Contingent Liabilities

	2014 £000
Not Applicable	

27. Members Liability

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

28. Pensions & Similar Obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004.

The Trust has elected not to have a valuation performed on the LGPS scheme as at the balance sheet date due to materiality considerations. Employer contributions totalled £76.41 for the period which remained outstanding as at the balance sheet date.

Contributions amounting to £2,847 were payable to the schemes at 31 August 2014 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation Of The Teachers' Pension Scheme

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

- employer contribution rates were set at 16.48% of pensionable pay (including a 0.08% levy for administration);
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

The new employer contribution rate for the TPS will be implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme will commence on 1 April 2015.

The pension costs paid to TPS in the year amounted to £12,394 (2013: £Nil).

29. 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

West Nottinghamshire College – The sponsor of the Studio School and which employs Dame Asha Khemka, Patricia Harman and Andrew Martin (all of whom are Trustees):

- The Trust purchased a range of services including learner recruitment, marketing and communications totalling £79,601 during the year. The balance outstanding at the end of the period was £2,009.
- The Trust incurred the charges at arm's length and in line with the financial regulations.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

30. Post Balance Sheet Events

There were no reportable post balance sheet events.