

GILLOTTS SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

GILLOTTS SCHOOL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 – 2
Trustees' report	3 – 12
Governance statement	13 – 18
Statement on regularity, propriety and compliance	19
Trustees' responsibilities statement	20
Independent auditors' report	21 – 22
Independent reporting accountant's assurance report on regularity	23 – 24
Statement of financial activities	25
Balance sheet	26
Cash flow statement	27
Notes to the financial statements	28 - 45

GILLOTTTS SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

Members

Catharine Darnton	(Headteacher)
David Gorsuch	(Chair of Governors)
John Print	(Chair of Finance & Resources Committee)
Alison Flett	(Chair of Curriculum and Student Progress Committee)
Sue White	(Chair of Personnel Committee)

Trustees / Governors

Catharine Darnton	(Headteacher and Accounting Officer)
David Gorsuch	(Chair of Governors)
Faye Aitken-Smith	(appointed 14 November 2014)
Jonathan Allen	
Conrad Bodman	
Carol Brown	(Staff governor)
Jayne Davis	(Appointed 1 January 2015)
Karen Edwards	
Leonora Ellerby	
Tom Espley	(Resigned 31 December 2014)
Jane Fenn	(Staff governor) (resigned 31 August 2015)
Alison Flett	
Stephen Miller	(End of term 1 November 2014)
Darrell Poulos	(End of term 23 March 2015)
John Print	
Hayley Rogers	(Staff governor)
Tessa Thomson	(Appointed 25 November 2014)
Barry Taylor	(Appointed 18 May 2015)
Nicholas Walden	
Susan White	
Christopher Wermann	

Company Secretary

Glynis Smith

Senior Management Team

Headteacher	Catharine Darnton
Deputy Head	Edward Newbold
Assistant Head	Sarah McHugh
Assistant Head	Matthew Druce
Business Manager	Glynis Smith

Company Name Gillotts School

GILLOTTS SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Principal and registered office

Gillotts School, Gillotts Lane, Henley-on-Thames, Oxon RG9 1PS

Company registered number

07954417 (England & Wales)

Independent auditors

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds Bank plc, Henley-on-Thames Branch, PO Box 1000, BX1 1LT

Solicitors

Stone King LLP, 16 St John's Lane, London, EC1M 4BS

GILLOTTS SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in and around Henley-on-Thames. It has a pupil capacity of 900 and had a roll of 809 in the school census on 15 May 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Gillotts are also the directors of the charitable company for the purposes of company law and are referred to as governors. The charitable company is known as Gillotts School.

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

Members Liability

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

Trustees' Indemnities

Governors benefit from indemnity insurance to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1,367

Method of Recruitment and Appointment or Election of Trustees

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

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

At 31 August 2015, there was one vacancy for a co-opted governor.

GILLOTTS SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

Organisational Structure

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

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

Related Parties and other Connected Charities and Organisations

Gillotts collaborates with feeder primaries and has formed a Limited Company with local primary schools, Henley Partnership of Schools to further support this collaboration. Gillotts works with the secondary consortium which includes other local 11-16 schools as well as The Henley College. Gillotts is also part of the Oxfordshire Teaching Schools Alliance (OTSA).

GILLOTT'S SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

Objectives, Strategies and Activities

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

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

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

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

GILLOTTS SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, Strategies and Activities (continued)

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

- Aim 1: To maximise achievement through effective and inspiring teaching
- Aim 2: To maintain a distinctive curriculum offer tailored to the needs of our students, ensuring that 21st century technology is used effectively to support teaching and learning
- Aim 3: To promote personal development by the provision of outstanding support and guidance
- Aim 4: To provide a built environment fit for the purpose of 21st century teaching and learning
- Aim 5: To promote Gillotts' position as Henley's first class community school

Public Benefit

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

GILLOTT'S SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT

Achievements and Performance

We achieved our key priority for 2015, which was to maintain 5+A*-C (EM) above 70% with lower prior attainment year group. The small number of high prior attainment students also achieved A*/A grades.

The following are the headlines of achievement:

- 81% of students achieved 5+A*-C grades
- 73% of students achieved 5+A*-C grades, including En and Ma
- 77% of students achieved grades A*-C in English
- 83% of students achieved grades A*-C in maths
- 20% of students achieved A*/A in English
- 22% of students achieved A*/A in maths
- 24% of all grades were A* or A, with 23% of students achieving 5+A*/A

Key Financial Performance Indicators

Unless applying a high level of risk to financial management, which is not the policy of the Trustees, it is only possible to balance a budget in year, which allows for all known possible expenditure, committed or contingent, by application of the net current assets to the budget plan. As such, the Trustees' approach to financial control is to set a budget on a prudent basis; this, coupled with financial management software that does not allow purchase orders to be raised against a budget with insufficient funds, will result in many areas of planned expenditure showing a surplus balance at year end. Some balances will be allocated for ongoing projects, other balances will be added to the whole school net current assets to support spending in future years. Applying this approach, the net current assets as at 31 August 2015 decreased by £1,828, 0.03% of total income, to a total of £615,902.

Ofsted inspection outcomes

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

Going Concern

After making appropriate enquiries, the 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.

GILLOTT'S SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

FINANCIAL REVIEW

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

The school successfully bid to the EFA during the ACMF 2015/16 Round 1 application process for funding to replace the next phase of the internal buried services. The school was granted £157,456 and adding its Devolved Formula Capital grant to this allocation has enabled the completion of the next phase of this work. No other specific Capital Grants were awarded to the school by the DfE to provide fixed assets apart from the Devolved Formula Capital Grant (DFC – see above) . In accordance with the Charities SORP 2005, the DFC received is shown in the Statement of Financial Activities as restricted fixed asset funds.

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

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

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

Reserves Policy

At 31 August 2015 the total funds comprised:

Unrestricted		£69,203
Restricted:	Fixed asset funds	£14,784,335
	GAG and other	£460,170
	Pension reserve	£(825,000)
	Other	£69,029
		<u>£14,557,737</u>

The deficit on the pension reserve relates to the non- teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital requirements.

The Governors aim to maintain reserves between 5% and 10% of GAG as an appropriate cushion. The net current assets for the year to 31 August 2015 the net current assets as at 31 August 2015 have decreased by £1,828, equivalent to 0.03% of the total income, and this has allowed the governors to continue with their policy to accumulate an unallocated cash balance. If funding allows, the aim of the Governors is to increase this reserve to meet future working capital requirements.

GILLOTT'S SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Investment Policy

Apart from the cash held for the operation of the school, Gillotts School has no realisable investments. With respect to its cash holdings the Governing Body has adopted a low risk strategy.

Whilst interest rates are so low, it is not time cost effective to regularly review cash balances and transfer any excess funds to a deposit account and back again to cover expenditure. The school's bankers pay interest to the school on its current account balances and any financial benefit to regularly transferring funds is out-weighed by the time commitment required.

Principal risks and uncertainties

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

Category	Risk	Comment	Remedial action identified
Strategic	Obsolescence of ICT hardware and software	Technology moves very quickly and it is very difficult to be confident of requisitioning the most effective and value for money ICT supplies/services to meet current requirements and to future proof for the inevitable developments going forward. This links to the below since having sufficient funding to future proof is key to successfully managing the risk.	ICT upgrade strategy and financial viability regularly reviewed.
Financial	Risk that equipment cannot be fully replaced at the right time when it requires upgrading due to insufficient funding	In addition to ICT, this applies to all assets that would require immediate replacement in the event of failure. Parts of the heating system and buried building services remain at risk of imminent failure.	We are improving the asset registration to develop a realistic and manageable replacement programme for all school assets. Application(s) to EFA for (emergency) capital funding.
Management	Risk of school closure	Due to the restricted affordability to repair buried building services at risk of imminent failure, there is a possibility of school closure should the heating and/or drains fail.	Phased replacement plan. If failure occurs before replacement, will have to apply to EFA for emergency funding.
Operational	Staff - Inability to recruit teachers. Teacher supply has not been managed in recent years. This, coupled with Henley being an expensive place to live, outside London weighting, has brought additional challenges.	Working with Oxfordshire Teaching School Alliance and OUDE to train teachers. Use a recruitment agency for advertising; good relationship with supply agencies (including overseas). Proactive and timely management of recruitment	Consider spending a portion of the reserves to increase staffing levels so preserving staffing levels even in times when there are vacancies.

GILLOTT'S SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Principal risks and uncertainties (continued)

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

Major risks have been identified earlier in this report.

Other principal risks managed by the Academy are:

- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unforeseen increase in costs or major capital repairs due to building/site failures. Mitigated by the fact the Governors and the Leadership team are already considering a range of initiatives to reduce costs in the medium to long term.
- Premises risk – It is not possible to ascertain with any degree of accuracy the risk of failure of areas of the premises that cannot be easily seen or regularly monitored (for instance buried services, roofs). Mitigated by the fact that in 2012/13 the school commissioned a site condition survey which provides comprehensive information to inform premises priorities over the next 10 years.
- Personnel risk – the principal risks associated with personnel are related to succession planning, recruitment, retention and training. Mitigated by the fact the Leadership Team all have discrete responsibilities so the loss of a member of staff will impact on the rest of the team until a new appointment is made and working effectively. There are very thorough recruitment processes - at least two members of staff/governor are involved with the interview process. All staff matters are referred to/managed by the Headteacher in the first instance who is fully experienced in the need as to how and when to refer to HR professionals.

GILLOTT'S SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

PLANS FOR FUTURE PERIODS

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

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

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

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

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

We have an inspirational site – 33 acres with extensive woodland, on the site of the local manor house, parts of which (including two associated cottages) remain. The school is set on the fringes of the town with extensive views across the Thames valley. We want to use the stunning environment to help excite and inspire and students and staff to move the school's performance to the next level, making it an outstanding place to study and work with results securely in the top 10% of schools nationally. To achieve this vision, we need to redevelop the whole school environment.

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

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

GILLOTTS SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

AUDITOR

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, incorporating a strategic report, approved by order of the board of Trustees, as the company directors, on 8 December 2015 and signed on the board's behalf by:

.....
David Gorsuch
Chair of Governors

GILLOTTS SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Gillotts School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 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
David Gorsuch (Chairman)	3	3
Catherine Darnton (Headteacher and Accounting Officer)	3	3
Faye Aitken-Smith (Appointed 14 November 2014)	3	3
Jonathan Allen	0	3
Conrad Bodman	2	3
Carol Brown (Staff Governor)	3	3
Jayne Davis (Appointed 1 January 2015)	1	2
Karen Edwards	3	3
Leonora Ellerby	3	3
Tom Espley (Resigned 31 December 2014)	1	1
Jane Fenn (Staff Governor) (Resigned 31 August 2015)	1	3
Alison Flett	3	3
Stephen Miller (End of term 1 November 2014)	0	0
Darrell Poulos (End of term 23 March 2015)	1	1
John Print	2	3
Hayley Rogers (Staff Governor)	0	3
Tessa Thompson (Appointed 25 November 2014)	3	3
Barry Taylor (Appointed 18 May 2015)	1	1
Nicholas Walden	3	3
Susan White	3	3
Christopher Wermann	3	3

GILLOTT'S SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Governance review

In 2014, the Governing Body completed a self evaluation using a tool made available by the National Governors Association (NGA). The outcome was positive, identifying a number of key strengths. We identified that we need to make sure governors are better aware of and access the training opportunities available to them through our subscription to Oxfordshire County Council's Governor Services. As a consequence, information on both online and face to face training has been provided to governors with the papers for each main meeting. We have also undertaken to conduct a 360 review of the Chair of Governors' effectiveness, again through the NGA. The self evaluation is updated on an annual basis in December of each year.

The finance and resources committee is a sub-committee of the main board of trustees. Its purpose is set out in its Terms of Reference and is, primarily, to take responsibility for strategic planning of all aspects of financial and resources management, including consideration of long term planning and resourcing.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
John Print (Chair)	3	4
Catharine Darnton (Headteacher)	4	4
Carol Brown	3	4
Jane Fenn	3	4
David Gorsuch	4	4
Tessa Thomson	3	3
Nick Waldren	4	4
Chris Wermann	3	4

The responsibilities of an audit committee are incorporated within the Terms of Reference of the Finance and Resources Committee. Its purpose is to receive the Internal checking report (previously Responsible Officer's Report) from the Chair of the Committee at each meeting and the auditors' reports when appropriate and to recommend to the full governing body action as appropriate in response to these findings.

REVIEW OF VALUE FOR MONEY

As accounting officer the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcome achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

GILLOTTS SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

REVIEW OF VALUE FOR MONEY (continued)

Improving results by:

- We have undertaken a detailed and rigorous review and analysis of the full range of reports available through SIMS to enable specific students to receive targeted interventions as appropriate (FSM, PP, SEN, more able). We are wishing to close the attainment gap between PP and other students.
- We have undertaken a rigorous review and evaluation of examination results, value added progress, student attendance.
- The School Development Plan is focussed on improving outcomes for example through improving student feedback.
- We have developed a rigorous and innovative system for assessment including the tracking of student progress, following the removal of national curriculum levels.
- We have continued one to one provision after the end of specific funding - this is now available to all year groups as appropriate.
- We have a differentiated curriculum provision with alternative provision at KS4.
- We are enabling all students to 'bring their own devices' to widen access to IT without increased cost to the school.
- We have developed a performance related pay policy for teachers that rewards day to day good and developing practice in the classroom.
- We are a strategic partner of the Oxfordshire Teaching School Alliance to maximise CPD opportunities and continue to improve standards of teaching.
- A collaborative company further enhances close links with local partnership primary schools – this has brought opportunities for year 5s and 6s to spend time with us to ease transition and support the sharing of good practice.
- We continue to improve the take up of the school meals provision.
- Revision classes were held during the Easter break and after school for GCSE students.
- School facilities are used by a local dance academy and cricket club on a regular basis and the school grounds are used to host the Oxfordshire UK Triathlon.

Financial Governance:

- We have rigorous procedures in place for establishing and reviewing the school budget.
- Quarterly internal checking reports are supported by our external auditor and have been presented at termly governor meetings alongside our full internal financial report.
- Annual external audit.
- Our Internal Financial Procedures Handbook is reviewed annually by governors. It has been updated to include a detailed procedure for gifts, hospitality and benefits in kind.
- Contracts are regularly reviewed for cost/benefit. Tender procedures have been applied to a full network migration project and in the appointment of a new cleaning contractor.
- The addition of our annual DFC grant and some revenue funding to a recent EFA/Salix capital grant has enabled us to improve the extent of the project and gain economies of scale.
- A preferred suppliers list has been established.
- Financial outturn is materially in line with the budget plan.

GILLOTT'S SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

REVIEW OF VALUE FOR MONEY (continued)

Internal controls

- Detailed internal financial procedures manual available to all staff, reviewed annually by Governors
- The finance system blocks orders that would exceed available funds
- All orders have been reviewed by the Business Manager prior to authorisation and submission to supplier
- All invoices have been reviewed by the Headteacher and Business Manager for appropriateness
- Budget holders have received termly reports and interim reports on request and have been held accountable for budget management
- Value for money comparisons have been made for purchased supplies and services.

Lessons Learned

- The high proportion of funding that is spent on staffing means that proactive management of staffing levels, taking available opportunities to review the structure and current requirements, is key. This has been established as normal working practice.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gillotts School for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

GILLOTT'S SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and 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:

- not to appoint an internal auditor. However the trustees have appointed MHA MacIntyre Hudson the external auditor, to perform additional checks

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems and salary verification
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of income control systems

On a termly basis the reviewer reports to the board of trustees, through the finance and resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The reviewer has delivered their schedule of work as planned.

GILLOTTTS SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

REVIEW OF EFFECTIVENESS

As Accounting Officer the 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 responsible officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by Finance and Resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8 December 2015 signed on its behalf by:

.....
David Gorsuch
Chair of Trustees

.....
Catharine Darnton
Accounting Officer

GILLOTTS SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Gillotts School 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 for Education. 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.

.....
Catharine Darnton
Accounting Officer

8 December 2015

GILLOTT'S SCHOOL
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Gillotts School 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 2005;
- 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 governing body on 8 December 2015 and signed on its behalf by:

David Gorsuch
Chair of Trustees

GILLOTT'S SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GILLOTT'S SCHOOL

We have audited the financial statements of Gillotts School for the year ended 31 August 2015 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 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 Trust 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 Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the 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 Trust's affairs as at 31 August 2015 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 2014 to 2015 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.

GILLOTTS SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GILLOTTS SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Bianca Silva ACA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT
18 December 2015

GILLOTTS SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO GILLOTTS SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gillotts School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF GILLOTTS SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Gillotts School's funding agreement with the Secretary of State for Education dated 1 March 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 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 Trust's income and expenditure.

GILLOTTS SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO GILLOTTS SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

18 December 2015

GILLOTTS SCHOOL
(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 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
From generated funds:						
Voluntary income	2	-	1,015	-	1,015	-
Activities for generating funds	3	18,510	-	-	18,510	28,496
Investment income	4	948	-	-	948	1,179
From charitable activities	5	-	4,235,433	347,468	4,582,901	4,869,089
TOTAL INCOMING RESOURCES		19,458	4,236,448	347,468	4,603,374	4,898,764
RESOURCES EXPENDED						
Charitable activities	7	-	4,153,500	304,884	4,458,384	4,664,759
Governance costs	8	-	14,830	-	14,830	16,018
TOTAL RESOURCES EXPENDED	6	-	4,168,330	304,884	4,473,214	4,680,777
NET INCOMING RESOURCES BEFORE TRANSFERS		19,458	68,118	42,584	130,160	217,987
Transfers between Funds	18	-	(139,523)	139,523	-	-
NET INCOME FOR THE YEAR		19,458	(71,405)	182,107	130,160	217,987
Actuarial gains and losses on defined benefit pension schemes		-	20,000	-	20,000	(110,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		19,458	(51,405)	182,107	150,160	107,987
<i>Total funds at 1 September 2014</i>		49,745	(244,396)	14,602,228	14,407,577	14,299,590
TOTAL FUNDS AT 31 AUGUST 2015		69,203	(295,801)	14,784,335	14,557,737	14,407,577

All activities relate to continuing operations.

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

The notes on pages 28 to 45 form part of these financial statements.

GILLOTT'S SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07954417

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		14,784,335		14,602,228
CURRENT ASSETS					
Debtors	15	175,667		182,414	
Cash at bank		785,014		787,265	
		<u>960,681</u>		<u>969,679</u>	
CREDITORS: amounts falling due within one year	16	<u>(344,779)</u>		<u>(351,949)</u>	
NET CURRENT ASSETS			615,902		617,730
TOTAL ASSETS LESS CURRENT LIABILITIES			15,400,237		15,219,958
CREDITORS: amounts falling due after more than one year	17		<u>(17,500)</u>		<u>(29,381)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			15,382,737		15,190,577
Defined benefit pension scheme liability	24		<u>(825,000)</u>		<u>(783,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			14,557,737		14,407,577
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	18	529,199		538,604	
Fixed asset funds	18	14,784,335		14,602,228	
		<u>15,313,534</u>		<u>15,140,832</u>	
Pension reserve		<u>(825,000)</u>		<u>(783,000)</u>	
Total restricted funds			14,488,534		14,357,832
Unrestricted funds	18		<u>69,203</u>		<u>49,745</u>
TOTAL FUNDS			14,557,737		14,407,577

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2015 and are signed on their behalf, by:

David Gorsuch
Chair of Trustees

Catharine Darnton
Accounting Officer

The notes on pages 28 to 45 form part of these financial statements.

GILLOTTS SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	20	116,324	218,351
Returns on investments and servicing of finance	21	948	1,179
Capital expenditure and financial investment	21	(139,523)	(9,372)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(22,251)	210,158
Financing	21	20,000	-
(DECREASE)/INCREASE IN CASH IN THE YEAR		(2,251)	210,158

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(2,251)	210,158
Cash outflow from decrease in debt and lease financing	(20,000)	-
Other non-cash changes	-	-
MOVEMENT IN NET FUNDS IN THE YEAR	(22,251)	210,158
Net funds at 1 September 2014	787,265	577,107
NET FUNDS AT 31 AUGUST 2015	765,014	787,265

The notes on pages 28 to 45 form part of these financial statements.

GILLOTTS SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. 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 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 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.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy Trust 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.

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

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.

GILLOTTS SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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.

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Academy Trust 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.

1.6 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The cost of tangible fixed assets transferred on conversion to Academy Trust status is stated as follows:

- land and buildings at their depreciated replacement cost based on a professional valuation;
- other assets at their depreciated value as at the date of conversion.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

GILLOTTS SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation (continued)

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

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

1.7 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.

1.8 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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.

GILLOTT'S SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Donations	-	1,015	1,015	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3. FUNDRAISING INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Rental income	2,960	-	2,960	9,589
School fund	15,033	-	15,033	18,907
Catering income	517	-	517	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>18,510</u>	<u>-</u>	<u>18,510</u>	<u>28,496</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Bank interest receivable	948	-	948	1,179
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Academy's educational operations	-	4,582,901	4,582,901	4,869,089
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

GILLOTT'S SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General annual grant (GAG)	-	3,816,991	3,816,991	3,996,042
Pupil premium	-	110,568	110,568	112,752
Devolved formula capital	-	17,686	17,686	18,243
Capital maintenance fund	-	329,782	329,782	384,522
Other DfE revenue grants	-	12,284	12,284	8,350
	-	4,287,311	4,287,311	4,519,909
Other government grants				
Other local authority income	-	162,706	162,706	108,523
Other grants	-	37,173	37,173	7,090
	-	199,879	199,879	115,613
Other funding				
Trip income	-	95,711	95,711	217,737
Other income	-	-	-	15,830
	-	95,711	95,711	233,567
	-	4,582,901	4,582,901	4,869,089

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Direct costs	2,645,249	-	629,626	3,274,875	3,522,944
Support costs	554,816	390,952	237,741	1,183,509	1,141,815
Charitable activities	3,200,065	390,952	867,367	4,458,384	4,664,759
Governance	-	-	14,830	14,830	16,018
	3,200,065	390,952	882,197	4,473,214	4,680,777

GILLOTT'S SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. CHARITABLE ACTIVITIES

	Total funds 2015 £	<i>Total funds 2014 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support wages and salaries	2,645,249	2,831,505
Depreciation	304,884	256,077
Staff development	10,953	8,917
Educational consultancy	19,644	9,540
Technology costs	8,860	16,400
Educational supplies	110,447	114,449
Other direct costs	2,381	2,431
Examination fees	57,257	65,359
School trips expenditure	115,200	218,266
	<u>3,274,875</u>	<u>3,522,944</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff wages and salaries	554,816	477,984
Pension finance costs	15,000	21,000
Recruitment and support	34,938	27,145
Catering supplies	13,624	16,608
Maintenance of premises and equipment	142,864	214,917
Cleaning	91,748	82,465
Energy	59,415	71,815
Rent payable	34,459	(22,722)
Rates	22,643	24,058
Legal and professional	44,516	72,827
Non staff related insurance	34,534	39,245
Other support costs	134,767	116,113
Bank charges	185	360
	<u>1,183,509</u>	<u>1,141,815</u>
	<u><u>4,458,384</u></u>	<u><u>4,664,759</u></u>

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Audit fees	-	8,750	8,750	7,750
Accountancy fees	-	6,080	6,080	8,268
	<u>-</u>	<u>14,830</u>	<u>14,830</u>	<u>16,018</u>
	<u><u>-</u></u>	<u><u>14,830</u></u>	<u><u>14,830</u></u>	<u><u>16,018</u></u>

GILLOTTS SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

9. NET INCOMING RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	304,884	256,077
Auditors' remuneration	8,750	7,750
Auditors' remuneration - non-audit	6,080	8,268
Staff pension contributions	390,706	400,996
	390,706	400,996

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,534,837	2,644,500
Social security costs	178,865	186,058
Other pension costs (Note 24)	390,706	400,996
	3,104,408	3,231,554
Supply teacher costs	95,657	77,934
	3,200,065	3,309,488

b. Staff numbers

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

	2015 No.	2014 No.
Teachers	42	44
Administration and support	31	35
Management	5	5
	78	84

GILLOTTS SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

10. STAFF (continued)

c. Higher paid staff

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

	2015	<i>2014</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	2	<i>2</i>
In the band £90,001 - £100,000	1	<i>1</i>

All three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £31,057 (2014 - £31,414).

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2015	<i>2014</i>
	£	<i>£</i>
C Darnton Remuneration	90,000-95,000	<i>95,000-100,000</i>
Employer's pension contributions	10,000-15,000	<i>10,000-15,000</i>
Hayley Rogers Remuneration	40,000-45,000	<i>40,000-45,000</i>
Employer's pension contributions	5,000-10,000	<i>5,000-10,000</i>
Jane Fenn Remuneration	35,000-40,000	<i>35,000-40,000</i>
Employer's pension contributions	5,000-10,000	<i>5,000-10,000</i>
Carol Brown Remuneration	15,000-20,000	<i>15,000-20,000</i>
Employer's pension contributions	0-5,000	<i>0-5,000</i>

Remuneration disclosures for staff trustees who resigned before 1 September 2014 have not been disclosed in these financial statements.

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,367 (2014 - £1,445). The cost of this insurance is included in the total insurance cost.

GILLOTTS SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

13. PENSION FINANCE COST

	2015 £	2014 £
Expected return on pension scheme assets	50,000	42,000
Interest on pension scheme liabilities	(65,000)	(63,000)
	(15,000)	(21,000)

14. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2014	14,894,924	105,647	148,510	27,806	15,176,887
Additions	429,396	2,368	55,227	-	486,991
At 31 August 2015	15,324,320	108,015	203,737	27,806	15,663,878
Depreciation					
At 1 September 2014	475,528	34,490	50,738	13,903	574,659
Charge for the year	233,220	18,584	47,519	5,561	304,884
At 31 August 2015	708,748	53,074	98,257	19,464	879,543
Net book value					
At 31 August 2015	14,615,572	54,941	105,480	8,342	14,784,335
At 31 August 2014	14,419,396	71,157	97,772	13,903	14,602,228

The Academy Trust's transactions relating to land and buildings included:

- improvements relating to boilers, pipework and heating systems.

15. DEBTORS

	2015 £	2014 £
Trade debtors	1,550	197
Prepayments and accrued income	108,371	88,345
VAT recoverable	65,746	93,872
	175,667	182,414

GILLOTTS SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

**16. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
SALIX loan	2,500	-
Trade creditors	84,798	160,505
Other taxation and social security	96,688	100,966
EFA creditor: abatement of GAG	29,381	29,380
Accruals and deferred income	131,412	61,098
	344,779	351,949

Deferred income

Deferred income at 1 September 2014		17,500
Resources deferred during the year		56,841
Amounts released from previous years		(17,500)
		56,841

Deferred income relates to monies received during the year for school trips which will take place after the year end, and deferred grant income.

**17. CREDITORS:
Amounts falling due after more than one year**

	2015 £	2014 £
SALIX loan	17,500	-
EFA creditor: abatement of GAG	-	29,381
	17,500	29,381

The SEN/LACSEG adjustment of £58,761 represents 2012/13 overfunding which will be recovered by the EFA in 2014/15 and 2015/16.

Included in creditors is a loan of £20,000 from SALIX which is provided at 0% interest, repayable over an 8 year period.

GILLOTTS SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

18. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
General unrestricted	49,745	19,458	-	-	-	69,203
Restricted funds						
General Annual Grant (GAG)	522,423	3,816,991	(3,763,231)	(116,013)	-	460,170
Pupil premium	16,181	110,568	(107,720)	-	-	19,029
Other LA grants	-	82,706	(82,706)	-	-	-
Lodge project	-	80,000	(6,490)	(23,510)	-	50,000
Other restricted funds	-	146,183	(146,183)	-	-	-
Pension reserve	(783,000)	-	(62,000)	-	20,000	(825,000)
	<u>(244,396)</u>	<u>4,236,448</u>	<u>(4,168,330)</u>	<u>(139,523)</u>	<u>20,000</u>	<u>(295,801)</u>
Restricted fixed asset funds						
Fixed asset fund	14,602,228	-	(304,884)	486,991	-	14,784,335
Academies capital maintenance	-	329,782	-	(329,782)	-	-
Devolved formula capital	-	17,686	-	(17,686)	-	-
	<u>14,602,228</u>	<u>347,468</u>	<u>(304,884)</u>	<u>139,523</u>	<u>-</u>	<u>14,784,335</u>
Total restricted funds	<u>14,357,832</u>	<u>4,583,916</u>	<u>(4,473,214)</u>	<u>-</u>	<u>20,000</u>	<u>14,488,534</u>
Total of funds	<u><u>14,407,577</u></u>	<u><u>4,603,374</u></u>	<u><u>(4,473,214)</u></u>	<u><u>-</u></u>	<u><u>20,000</u></u>	<u><u>14,557,737</u></u>

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

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

General annual grant is to be spent on educational purposes as specified by the EFA.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Authority by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy.

The LGPS deficit fund has been created to separately identify the pension deficit inherited from the local

GILLOTT'S SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

18. STATEMENT OF FUNDS (continued)

authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

Restricted fixed assets are funds representing the amounts invested in fixed assets.

Devolved formula capital is EFA grant monies to be spent on premises.

The lodge project relates to the refurbishment and staffing of the care takers lodge to be used for at risk pupils.

All general funds are held for the purposes of education in line with the Academy's objectives.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
General funds	49,745	19,458	-	-	-	69,203
Restricted funds	(244,396)	4,236,448	(4,168,330)	(139,523)	20,000	(295,801)
Restricted fixed asset funds	14,602,228	347,468	(304,884)	139,523	-	14,784,335
	<u>14,407,577</u>	<u>4,603,374</u>	<u>(4,473,214)</u>	<u>-</u>	<u>20,000</u>	<u>14,557,737</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	14,784,335	14,784,335	14,602,228
Current assets	69,203	891,479	-	960,682	969,679
Creditors due within one year	-	(344,780)	-	(344,780)	(351,949)
Creditors due in more than one year	-	(17,500)	-	(17,500)	(29,381)
Pension scheme liability	-	(825,000)	-	(825,000)	(783,000)
	<u>69,203</u>	<u>(295,801)</u>	<u>14,784,335</u>	<u>14,557,737</u>	<u>14,407,577</u>

GILLOTTTS SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	130,160	217,987
Returns on investments and servicing of finance	(948)	(1,179)
Depreciation of tangible fixed assets	304,884	256,077
Capital grants from DfE	(347,468)	(402,765)
Decrease in debtors	6,747	100,503
Decrease in creditors	(39,051)	(272)
FRS 17 adjustments	62,000	48,000
	116,324	218,351

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	948	1,179
	948	1,179
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(486,991)	(412,137)
Capital grants from DfE	347,468	402,765
	(139,523)	(9,372)
Financing		
Other new loans	20,000	-
	20,000	-

GILLOTT'S SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	787,265	(2,251)	-	785,014
Debt:				
SALIX loan:	-	-	-	-
Debts due within one year	-	(2,500)	-	(2,500)
Debts falling due after more than one year	-	(17,500)	-	(17,500)
Net funds	787,265	(22,251)	-	765,014

23. CAPITAL COMMITMENTS

At 31 August 2015 the Academy Trust had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	12,567	-

24. PENSION COMMITMENTS

The Academy Trust'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 Oxfordshire County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £44,898 were payable to the scheme at 31 August 2015 (2014 - £nil) 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. 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.

GILLOTT'S SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer pension costs paid to TPS in the period amounted to £245,729 (2014: £263,233).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution 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 2015 was £143,000, of which employer's contributions totalled £108,000 and employees' contributions totalled £35,000. The agreed contribution rates for future years are 14.4% for employers and between 5.5% and 12.5% 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.

GILLOTT'S SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

24. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	<i>Expected return at 31 August 2014 %</i>	<i>Fair value at 31 August 2014 £</i>
Equities	7.10	631,000	6.70	562,000
Bonds	3.40	33,000	3.60	51,000
Property	6.00	66,000	5.90	50,000
Cash	2.30	30,000	2.90	35,000
Gilts	2.60	117,000	3.00	76,000
Other (Hedge Funds)	6.50	77,000	6.70	14,000
Total market value of assets		<u>954,000</u>		<u>788,000</u>
Present value of scheme liabilities		<u>(1,779,000)</u>		<u>(1,571,000)</u>
Deficit in the scheme		<u><u>(825,000)</u></u>		<u><u>(783,000)</u></u>

The expected rate of return is estimated to be 5.9% per the actuarial report based on the estimated fund value at the accounting date.

The actual return on scheme assets was £29,000 (2014: £74,000).

The amounts recognised in the Balance sheet are as follows:

	2015 £	<i>2014 £</i>
Present value of funded obligations	(1,779,000)	<i>(1,571,000)</i>
Fair value of scheme assets	954,000	<i>788,000</i>
Net liability	<u><u>(825,000)</u></u>	<u><u>(783,000)</u></u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	<i>2014 £</i>
Current service cost	(155,000)	<i>(136,000)</i>
Interest on obligation	(65,000)	<i>(63,000)</i>
Expected return on scheme assets	50,000	<i>42,000</i>
Total	<u><u>(170,000)</u></u>	<u><u>(157,000)</u></u>

GILLOTT'S SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

24. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	1,571,000	1,252,000
Current service cost	155,000	136,000
Interest cost	65,000	63,000
Contributions by scheme participants	35,000	35,000
Actuarial (Gains)/losses	(41,000)	82,000
Benefits paid	(6,000)	3,000
	<u>1,779,000</u>	<u>1,571,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	788,000	627,000
Expected return on assets	50,000	42,000
Actuarial gains and (losses)	(21,000)	(28,000)
Contributions by employer	108,000	109,000
Contributions by employees	35,000	35,000
Benefits paid	(6,000)	3,000
	<u>954,000</u>	<u>788,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(148,000) (2014 - £(168,000)).

The Academy Trust expects to contribute £109,000 to its defined benefit pension scheme in 2016.

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

	2015	2014
Equities	66.00 %	71.00 %
Gilts	12.00 %	10.00 %
Bonds	3.00 %	6.00 %
Property	7.00 %	6.00 %
Cash	3.00 %	5.00 %
Alternative assets	5.00 %	2.00 %

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %
RPI increase	3.60 %	3.50 %

GILLOTTS SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

24. 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:

	2015	<i>2014</i>
Retiring today		
Males	23.3	<i>23.2</i>
Females	25.7	<i>25.5</i>
Retiring in 20 years		
Males	25.5	<i>25.4</i>
Females	28.0	<i>27.9</i>

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

Defined benefit pension schemes

	2015	<i>2014</i>	<i>2013</i>
	£	<i>£</i>	<i>£</i>
Present value of defined benefit obligation	(1,779,000)	<i>(1,571,000)</i>	<i>(1,252,000)</i>
Present value of scheme assets	954,000	<i>788,000</i>	<i>627,000</i>
Fair value of deficit	(825,000)	<i>(783,000)</i>	<i>(625,000)</i>
Experience adjustments on scheme liabilities	-	<i>(42,000)</i>	<i>-</i>
Experience adjustments on scheme assets	(21,000)	<i>(28,000)</i>	<i>44,000</i>

25. 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 a 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.

Other than as disclosed in note 11, there were no related party transactions (2014: £nil).

26. MEMBERS' LIABILITY

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