

REGISTERED COMPANY NUMBER: 07956691 (England and Wales)

**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2014
for
Steiner Academy Exeter**

Haines Watts Exeter LLP, Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG

Steiner Academy Exeter
Year Ended 31 August 2014

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Steiner Academy Exeter
Year Ended 31 August 2014

Reference and Administrative Details

MEMBERS	CM Fisher L Hetherington MA Skeet MM Whitlock
TRUSTEES	MM Whitlock (Chair) (resigned 19 July 2014) AB Swindell (Principal) SJ Salmon (resigned 21 January 2014) JC Shaw T De Bernhardt Dunkin (appointed 9 December 2013 resigned 10 October 2014) K McMeeking (appointed 9 December 2013) A Oak (appointed 9 December 2013) BM Parker (appointed 9 December 2013) MA Skeet (appointed 9 December 2013) J Shute (appointed 9 January 2014) A Cornell (appointed 9 January 2014) J Moraity (Staff Trustee) (appointed 9 January 2014)
COMPANY SECRETARY	SJ Salmon
SENIOR MANAGEMENT TEAM	AB Swindell (Principal) BM Parker (Project and Finance Manager) (resigned 7 November 2013) ME Evers (Finance Administrator) (appointed 24 October 2013) SJ Salmon (Administration Manager)
REGISTERED OFFICE	Foxhayes Gloucester Road Exeter Devon EX4 2EE
REGISTERED COMPANY NUMBER	07956691 (England and Wales)
AUDITORS	Haines Watts Exeter LLP, Statutory Auditors 3 Southernhay West Exeter Devon EX1 1JG
SOLICITORS	Stephens Scown LLP Curzon House Southernhay West Exeter EX1 1RS

Report of the Trustees

The Trustees present their annual report together with the financial statements and auditor's reports to the Charitable Company for the period 1 September 2013 to 31 August 2014.

Steiner Academy Exeter (a company limited by guarantee) is referred to as the Academy throughout this document.

Incorporation

The charitable company was incorporated on 20 February 2012.

Events since the year end

Information relating to events since the end of the year is given in the notes to the financial statements.

Structure, Governance and Management

Governing document

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of the Academy are also the Directors of the Charitable Company for the purposes of company law.

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

Members' liability

Every member of the Charitable Company undertakes to contribute such amount as may be required (not exceeding £10) to the Charitable Company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Charitable Company's debts and liabilities before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

Trustees' Indemnities

£1,000,000 Trustee Indemnity Insurance was provided by Travellers Insurance Company Ltd, Exchequer Court, 33 St Mary Axe, London, EC3A 8AG

Principal activities

The charitable company's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Recruitment and appointment of new trustees

The number of Trustees shall be not less than three but is not be subject to any maximum. The Members may appoint up to eight Trustees, in addition to any staff Trustees, provided that the total number of Trustees (including the Principal) who are employees of the charitable company does not exceed one third of the total number of Trustees. Two parent Trustees are elected by the parent body. The principal is an ex officio Trustee. The local authority may appoint one Trustee. There are further provisions for the appointment by the Trustees of up to three co-opted Trustees and for the appointment by the Secretary of State for Education of additional Trustees.

The training and induction provided for new trustees depends upon their existing experience. All trustees are provided with details of policies, procedures, etc., that are required for them to perform their role effectively. Suitable courses are identified for trustees having oversight of specific areas of the charitable company's work. The trustees indicated in the Reference and Administrative detail section attended an approved LA governors' training on the 7 June 2014

Report of the Trustees (continued)

Organisational structure

The year under review:

During the period under review the Charitable Company was engaged in opening and running a new school, which opened at the start of this period, on 5 September 2013.

The Trustees delegated to the Principal the day-to-day responsibility for opening and operating the new school.

The year ahead:

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the use of budgets, making major decisions about the direction of the charitable company, significant capital expenditure and senior staff appointments.

The Board of Trustees meet four times a year. There are three committees of the board, concerned with (i) Teaching and Learning; (ii) Resources and Finance; and (iii) Admissions. The Teaching and Learning committee and the Resources and Finance committee each meet approximately two weeks before the full board meetings. The Admissions Committee meets as required.

The day to day running of the Charitable Company is delegated to the Principal, who is also the Accounting Officer.

Related parties

See note 27 for details of related party transactions.

Risk management

During the period under review the Trustees held overall responsibility for ensuring that an effective and appropriate system of control, financial and otherwise, was in place. During the period they delegated to the Principal day-to-day responsibility for exercising these controls in relation to good financial management and specifically in accordance with the terms of the project development grant awarded to Steiner Academy Exeter by the Secretary of State for Education.

The risks associated with the pre-opening period of the school and its first year of operation were assessed and managed continuously by Trustees to ensure that the school opened on time and within budget.

With the school now entering its second year, the Trustees are responsible for ensuring that appropriate systems of control, financial and otherwise, are in place. Policies and procedures have been established to assess and manage the major risks to which the charitable company is exposed, including those relating to teaching, facilities and finance. The Trustees will continue to assess and manage these risks during the school year.

Objectives and activities

The Charitable Company's object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The specific aim of the Charitable Company during the year under review was to bring Steiner Academy Exeter school into existence under the terms of the project development grant awarded to it by the Secretary of State for Education, so that it would be open to pupils in Reception and Years 1, 2, 3 and 7 in time for opening in September 2013, and, having opened, to operate in accord with the Funding Agreement in place between the school and the Secretary of State.

Its activity during the year was devoted to bringing about these specific aims.

Report of the Trustees (continued)

Public benefit

The Trustees have given consideration to the Charity Commission's general guidance on public benefit, and considers that the Academy's objects, aims and activities are for the public benefit.

Achievement and performance

The Charitable Company achieved its specific aim of bringing Steiner Academy Exeter school into existence under the terms of the project development grant awarded to it by the Secretary of State for Education and to operate the school in its first academic year. It opened in temporary premises to pupils in Years 2, 3 and 7 on 5 September 2013 and to pupils in Reception and Years 1 on 9 September 2013. It extended its age range from September 2014, to include Years 4 and 8.

Going concern

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

Financial review

The trust received an annual revenue grant (GAG) from the EFA based initially upon a projection of a full school of 130 pupils together with additional revenue start up grants for a new school. The final grant of £713,500 was based upon the actual numbers of pupils recorded at the two census dates of October 13 and January 14. The Local Authority provided additional funding of £51,358 for pupils with Special Educational needs (SEN). In addition the academy received pupil premium funding of £12,881 (enabling 13% of pupils to receive additional support) , a Sports grant of £8295 (funding outdoor activity equipment), a free school meal grant £6750, and a business rates and insurance grant of £12,794. The lack of clarity from both the Education Funding Agency and the Local Authority in relation to the way the GAG and SEN grants were calculated made in year budgeting very difficult. The academy used part of the reserves from the previous year to buffer this situation and to meet essential additional administration costs.

In addition to the above revenue income the EFA made specific capital grants for the cost of the temporary site and the lease of the classrooms (£269,000), an allocation for FF&E (furniture, fixtures and fittings £152,000), Computer equipment (£8261) and the addition of a dining Hall facility (£43,000) .

The Academy bought the permanent site of Thomas Hall for £2,950,000 (interest free loan from the EFA) and received and spent a £303,000 grant during the year on initial building works.

Effective financial management was underpinned by a budgeting and monitoring system including regular financial reports required to be submitted to DfE. These were underpinned by internal controls covering purchasing and tendering arrangements and financial delegation.

Reserves policy

The current policy of the Trustees is to maintain cash reserves of between £50,000 and £100,000 to meet immediate short term contingencies. These levels will increase in line with planned increases in pupil numbers and be reviewed annually. The Trustees believe cash above £100,000 should be used to further the aims of the Charitable Company. Use of cash reserves for any purpose which would leave the school with less than £50,000 requires the approval of the Trustees.

Investment Policy

In relation to these reserves the academy trust has the powers to deposit or invest any such funds not immediately required to meet its objectives and to delegate the management of investments to a financial expert.

Principal funding sources

The Academy received funding from the EFA and Local Authority of £863,234 towards expenditure of the Academy. The Academy also received capital grants from the EFA totalling £583,755 towards the purchase of Thomas Hall and the purchase of other tangible assets in the year.

Report of the Trustees (continued)

Plans for the future

The Steiner Academy Exeter will expand again in September 2015 to include Years 5 and 9, whilst also doubling the size of its offer at Reception from 26 places to 52. This expansion will continue in subsequent years until it has two forms of entry from Reception to Year 11.

The school completed the purchase of Thomas Hall in the south west of Exeter as a permanent location and entered into a contract with Willmott Dixon as the developer of the new site. Funding for both the purchase and the development is received from the Secretary of State for Education. The move to Thomas Hall (both the school and registered office) is expected to take place in September 2015.

Funds held as custodian for others

The Academy does not hold any funds as custodian trustee on behalf of others.

AUDITORS

In so far as the Governors are aware

- there is no relevant audit information of which the Charitable Company's auditor is unaware, and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, Haines Watts Exeter LLP, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
BM Parker
Chair of Trustees

Date.....

Governance Statement

Scope of Responsibility

During the period 1 September 2013 to 31 August 2014 the Academy was in its first year as a "school" (Academy) registered as a company limited by guarantee. The board in Sept 13 consisted initially of the 3 directors, MM Whitlock, SJ Salmon and JC Shaw and de facto director AB Swindell (Principal). The Board of Directors were charged with overseeing the development of the school - a new academy "The Steiner Academy Exeter". Funding was by way of a "Funding Agreement".

The Trustees', acknowledge their overall responsibility for ensuring that the Academy had an effective and appropriate system of control, financial and otherwise in place.

The Board of Directors (Governors), during this period, delegated the day-to-day responsibility to the Principal, the Administration Manager and the Finance Manager for ensuring financial controls conformed with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it under the terms of the Funding Agreement between the Academy and the Secretary of State for Education.

The Academy opened as a school on the 5 September 2013, having signed a funding agreement for the Academy with the Secretary for Education on the 7 August 2013.

Governance

The Board of Governors further developed the governance of the Academy by; introducing new Governors , specialist committees to reinforce the controls and systems of oversight and by appointing AB Swindell to the position of Principal and Accounting Officer.

Each of the existing and new Governors undertook specialist activities (supported by legal and other specialist consultants as required) as follows:

MM Whitlock:	Chair of the Board
SJ Salmon:	Admissions, HR, Marketing
JC Shaw:	Safeguarding, SEN
AB Swindell:	Education, Policies, Recruitment.
BM Parker:	Finance
K McMeeking:	Finance (Chair of Finance and Resources committee)
T de Bernhardt Dunkin	(Chair of The Teacher and Learning Committee)
J Shute :	SEN
A Oak:	SEN, Inclusion
A Cornell:	Finance, HR
J Moraity:	Teaching and Learning

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

Trustee	Meetings attended	Out of a possible
MM Whitlock	7	8
AB Swindell	8	8
JC Shaw	5	6
BM Parker	6	6
K McMeeking	4	6
M Skeet	7	7
J Shute	3	4
T de Bernhardt Dunkin	3	7
A Cornell	2	4
A Oak	7	8
J Moraity	3	4

Governance Statement (continued)

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to provide guidance and assistance to the Principal and the Governing Body in all matters relating to budgeting, and finance. Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
MM Whitlock	3	3
AB Swindell	3	3
JC Shaw	2	3
BM Parker	3	3
K McMeeking	2	3

The Teacher and Learning Committee is a sub-committee of the main Governing Body. Attendance at the meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
MM Whitlock	3	3
AB Swindell	3	3
T de Bernhardt Dunkin	3	3
A Oak	3	3
M Skeet	3	3

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed K McMeeking a Governor, as Responsible Officer ('RO'). The RO's role is to perform a range of checks on the Academy Trust's financial systems the operation of the systems of control and on the discharge of the Governing responsibilities

Governance Statement (continued)

Review of Effectiveness

The Board of Trustees has reviewed the effectiveness of the system of internal control during the period and has been informed by:

- the pre opening circumstances
- the Board of Trustees;
- the work of the management group;
- the work of the external auditor;
- the requirements of the post opening financial management and governance self assessment process;

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

.....
BM Parker
Chair of Trustees

.....
AB Swindell
Principal

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Steiner Academy Exeter I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regards to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy'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 Governing Body and the Education Funding Agency.

.....
AB Swindell
Accounting Officer

Date.....

Statement of Trustees' Responsibilities

The Trustees (are also the directors of Steiner Academy Exeter for the purposes of company law) are responsible for preparing the Trustees' 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 in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the Trustees are aware:

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

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

ON BEHALF OF THE BOARD:

.....
BM Parker
Chair of Trustees

Date.....

Steiner Academy Exeter (Registered number: 07956691)

Year Ended 31 August 2014

Report of the Independent Auditors to the Members of Steiner Academy Exeter

We have audited the financial statements of Steiner Academy Exeter for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members as a Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, 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 Independently 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 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of Steiner Academy Exeter (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

.....
Benjamin de Cruz (Senior Statutory Auditor)
for and on behalf of Haines Watts Exeter LLP, Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG

Date

Steiner Academy Exeter (Registered number: 07956691)

Year Ended 31 August 2014

Independent Reporting Accountant's Assurance Report on Regularity to Steiner Academy Exeter and the Education Funding Agency

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

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

Respective responsibilities of Steiner Academy Exeter's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Steiner Academy Exeter's funding agreement with the Secretary of State for Education dated 7 August 2013 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant 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.

Independent Reporting Accountant's Assurance Report on Regularity to Steiner Academy Exeter the Education Funding Agency (continued)

The work undertaken to draw our conclusions include:

- We have confirmed that the activities conform to the Academy Trust's framework of authorities, as identified by review of minutes, management accounts, discussion with the Accounting Officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the Academy Trust are within the Academy Trust's framework of authorities.
- We have considered the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the Academy Trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the Academy Trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the Academy Trust's delegated authorities and that the internal delegations have been approved by the board of Trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of Trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the Academy Trust's charitable objects.

Conclusion

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

.....
Haines Watts Exeter LLP
3 Southernhay West
Exeter
Devon
EX1 1JG

Date

Steiner Academy Exeter (Registered number: 07956691)

Year Ended 31 August 2014

Statement of Financial Activities for the Year Ended 31 August 2014
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	3			2,957,458	2,957,458	
Activities for generating funds	4	21,679			21,679	
Investment income	5	143			143	207
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	6		813,326	640,247	1,453,573	372,335
Total incoming resources		21,822	813,326	3,597,705	4,432,853	372,542
Resources expended						
<i>Cost of generating funds:</i>						
Cost of activities for generating funds		23,060			23,060	
<i>Charitable activities:</i>						
Academy's educational operations			796,844	122,657	919,501	226,993
Set up costs						17,802
<i>Governance costs</i>			6,797		6,797	
Total resources expended	7	23,060	803,641	122,657	949,358	244,795
Net incoming/(outgoing) resources before transfers		(1,238)	9,685	3,475,048	3,483,495	127,747
Gross transfers between funds		5,121	(54,819)	49,698		
Net income/(expenditure) for the period		3,883	(45,134)	3,524,746	3,483,495	127,747
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes			(8,000)		(8,000)	
Net movement in funds		3,883	(53,134)	3,524,746	3,475,495	127,747
Reconciliation of funds						
Funds brought forward 1 September 2013			55,412	72,335	127,747	
Funds carried forward at 31 August 2014		3,883	2,278	3,597,081	3,603,242	127,747

Continuing operations

All of the Academy's activities derive from continuing operations during the year ended 31 August 2014. For the period ended 31 August 2013 all activities related to the setting up of the Academy.

Statement of total recognised gains and losses

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

Steiner Academy Exeter (Registered number: 07956691)

Year Ended 31 August 2014

Balance sheet as at 31 August 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	13		3,561,634		72,335
Current assets					
Stock	14	12,310		16,422	
Debtors	15	173,463		88,887	
Cash at bank and in hand		68,346		75,642	
		254,119		180,951	
Creditors: Amounts falling due within one year	16	(199,511)		(125,539)	
Net current assets			54,608		55,412
Net assets excluding pension liability			3,616,242		127,747
Pension scheme liability	26		(13,000)		
Net assets including pension liability			3,603,242		127,747
Funds of the Academy:					
Restricted funds					
Fixed asset funds			3,597,081		72,335
General funds			15,278		55,412
Pension reserve			(13,000)		
Total restricted funds			3,599,359		127,747
Unrestricted funds			3,883		
Total funds	17		3,603,242		127,747

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

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

.....
 AB Swindell
 Principal

Steiner Academy Exeter (Registered number: 07956691)

Year Ended 31 August 2014

Cash Flow Statement for the Year Ended 31 August 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	21	647,059	147,770
Returns on investments and servicing of finance	22	143	207
Capital expenditure	23	(654,498)	(72,335)
Increase in cash in the period	24	<u>(7,296)</u>	<u>75,642</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		75,642	
Net funds at 31 August 2014		<u>68,346</u>	<u>75,642</u>

Notes to the Financial Statements

1. Accounting Policies

Basis of preparation

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

Going concern

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

Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

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

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance Costs

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

Tangible fixed assets

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows:

Freehold property	Not yet depreciated until asset ready for use
Improvements to property	Between 2% and 50% straight line per annum
Fixtures and fittings	10% straight line per annum
Computer	25% straight line per annum

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

Leased assets

Rentals under operating leases are charged to the Statement of Financial Activities as incurred.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Stock

Stocks are valued at the lower of cost and net realisable value.

Stock is charged to the SOFA based on a 25% straight line basis of stock purchased during the set up stage of the academy.

Taxation

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

Pensions benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets of the schemes are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education 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 EFA/DfE.

Notes to the Financial Statements (continued)

2. General Annual Grant (GAG)

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

3 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Fixed asset donations				
Other donations		2,947,458	2,947,458	
		<u>2,947,458</u>	<u>2,947,458</u>	

4. Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Catering income	12,348		12,348	
Educational activities	2,659		2,659	
Fundraising	2,428		2,428	
Other services	4,244		4,244	
	<u>21,679</u>		<u>21,679</u>	

5. Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	143		143	207
	<u>143</u>		<u>143</u>	<u>207</u>

6. Funding for Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
DfE/EFA grants				
General Annual Grant (GAG) (note 2)		533,659	533,659	
GAG Start Up		216,000	216,000	
Capital Grants		116,520	116,520	72,335
Capital Grants Start Up		523,727	523,727	300,000
Other DfE/EFA grants		41,709	41,709	
		<u>1,431,615</u>	<u>1,431,615</u>	<u>372,335</u>
Other Government grants				
Local Authority		21,958	21,958	
Special educational projects				
		<u>21,958</u>	<u>21,958</u>	
		<u>1,453,573</u>	<u>1,453,573</u>	<u>372,335</u>

Steiner Academy Exeter (Registered number: 07956691)

Year Ended 31 August 2014

Notes to the Financial Statements (continued)

7. Resources expended

	Staff costs £	Non pay expenditure		Total 2014 £	Total 2013 £
		Premises £	Other costs £		
Costs of generating voluntary income					
Costs of activities for generating funds			23,060	23,060	
Academy's educational operations					
Direct costs (see below)	473,716		31,567	505,283	
Allocated support costs (see below)	82,375	113,051	218,792	414,218	
Set up costs					226,993
	<u>556,091</u>	<u>113,051</u>	<u>273,419</u>	<u>942,561</u>	<u>226,993</u>
Governance costs including allocated support costs			6,797	6,797	17,802
	<u>556,091</u>	<u>113,051</u>	<u>280,216</u>	<u>949,358</u>	<u>244,795</u>
			2014 £	2013 £	

Incoming/outgoing resources for the period include:

Depreciation	122,657	
	<u>122,657</u>	

8. Charitable activities - Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Direct costs				
Teaching and educational support staff costs		473,716	473,716	
Educational supplies		20,431	20,431	
Educational consultancy		4,613	4,613	
Staff development		6,523	6,523	
		<u>505,283</u>	<u>505,283</u>	

Steiner Academy Exeter (Registered number: 07956691)

Year Ended 31 August 2014

Notes to the Financial Statements (continued)

8. Charitable activities - Academy's educational operations (continued)

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Allocation supported costs				
Support staff costs		82,375	82,375	
Recruitment		515	515	
Depreciation		122,657	122,657	
Computer costs		11,985	11,985	
Maintenance of premises		7,365	7,365	
Cleaning		3,477	3,477	
Rent and rates		81,177	81,177	
Light and heat		5,466	5,466	
Insurance		15,566	15,566	
Telephone		1,443	1,443	
Printing, postage and stationery		2,460	2,460	
Travel		7,681	7,681	
Subscriptions		4,082	4,082	
Sundries		1,595	1,595	
Legal and professional		16,144	16,144	
FRS17 LPGS pension		38,000	38,000	
Other costs		2,014	2,014	
Advertising		3,027	3,027	
Bank interest and charges		126	126	
Set up costs*		7,063	7,063	226,993
		<u>414,218</u>	<u>414,218</u>	<u>226,993</u>

*Set up costs for the year ended 31 August 2013

	£
Staff salaries	106,353
Teaching equipment	18,869
Closing stock	(16,422)
Training	5,863
Printing, postage and stationery	448
Repairs to property	25,293
Insurance	530
Advertising	40,239
Travelling	9,606
Computer	25,887
Subscriptions	47
Sundries	972
Bank charges	94
Other establishment costs	<u>9,214</u>
	<u><u>226,993</u></u>

Notes to the Financial Statements (continued)

9. Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Governors' expenses		297	297	
Auditor's remuneration				
• Audit of financial statements		6,500	6,500	4,300
• Accountancy, taxation and other services				2,200
• Legal and professional				11,302
		6,797	6,797	17,802

10. Staff costs

	2014 £	2013 £
Staff costs during the period were:		
Wages and salaries	494,417	85,191
Social security costs	26,047	8,016
Pension costs	35,627	13,145
	556,091	106,352
Compensation payments		
	556,091	106,352

The average number of persons (including senior management team) employed during the year and the full time equivalents, was as follows:

	2014 No.	2014 Full time equivalent	2013 No.	2013 Full time equivalent
Charitable activities				
Teachers	13	9	12	12
Administration and support	16	9	2	2
Management	3	3	2	2
	32	21	16	16

Notes to the Financial Statements (continued)

10. Staff costs (continued)

The number of employees whose emoluments (salary plus pension contributions) exceeded £60,000 was:

	2014	2013
£60,001 - £70,000	1	
	<u>1</u>	<u></u>

One (2013-nil) of the above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £7,755 (2013-£nil).

11. Trustees' Remuneration and Expenses

Headteacher and staff Trustees only received remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Trustees. The value of Trustees' remuneration, including pension contributions, was as follows:

Headteacher	A Swindell	£60,000 - £65,000
Other staff governor:	S Salmon	£25,000 - £30,000
Other staff governor:	J Moraity	£30,000 - £35,000
Other staff governor:	C Fisher	£nil - £ 5,000

Other Trustees did not receive any payments from the Academy in respect of their role as Trustees.

During the year ended 31 August 2014 expenses of £1,570 (2013 - £1,982) were reimbursed to Trustees.

Related party transactions involving Trustees are set out in note 27

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect the trustees and officers from claims arising from negligent acts, errors or omissions occurring while conducting Academy business. The insurance provides cover up to £500,000 on any one claim, and the cost for the year ended 31 August 2014 was £530 (2013 £530).

Steiner Academy Exeter (Registered number: 07956691)

Year Ended 31 August 2014

Notes to the Financial Statements (continued)

13. Tangible fixed assets

	Freehold land & Buildings £	Land & Buildings £	Fixtures, Fitting & Computer £	Total £
Cost				
At 1 September 2013		24,030	48,305	72,335
Additions	3,262,620	236,039	113,297	3,611,956
Disposal				
At 31 August 2014	3,262,620	260,069	161,602	3,684,291
Depreciation				
At 1 September 2013				
Charged in year		111,168	11,489	122,657
Disposal				
At 31 August 2014		111,168	11,489	122,657
Net book values				
At 31 August 2013		24,030	48,305	72,335
At 31 August 2014	3,262,620	148,901	150,113	3,561,634

There is a legal charge over the freehold land and buildings owned by Steiner Academy Exeter between Steiner Academy Exeter and the Secretary of State for Education.

14. Stock

	2014 £	2013 £
Books and consumables	1,093	1,458
Equipment	4,338	5,784
Office stationery	6,879	9,180
	12,310	16,422

15. Debtors

	2014 £	2013 £
Trade debtors	8,014	
Prepayments and accrued income	42,296	
Other debtors	123,153	88,887
	173,463	88,887

Steiner Academy Exeter (Registered number: 07956691)

Year Ended 31 August 2014

Notes to the Financial Statements (continued)

16. Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	10,917	24,421
Taxation and social security	2,000	2,729
Other creditors	7,238	30,288
EFA creditor	88,981	
Accruals and deferred income	90,375	68,101
	<u>199,511</u>	<u>125,539</u>

Deferred income

	2014	2013
	£	£
Resources deferred in the year	11,089	
Deferred income at 31 August 2014	<u>11,089</u>	<u> </u>

Deferred income relates to the Universal Infant Free School Meals grant which was received in the year from the EFA of which an element relates to the academic year ending 31 August 2015.

Movement of deferred income

Balance as at 1 September 2013		
Charge to the Statement of Financial Activities in the year		<u>11,089</u>
Balance as at 31 August 2014		<u>11,089</u>

Steiner Academy Exeter (Registered number: 07956691)

Year Ended 31 August 2014

Notes to the Financial Statements (continued)

17. Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)		515,942	(511,792)		4,150
Other EFA grants	55,412	245,426	(246,019)	(54,819)	
Other government grants		51,958	(40,830)		11,128
	55,412	813,326	(798,641)	(54,819)	15,278
Pension reserve			(5,000)	(8,000)	(13,000)
Restricted fixed asset funds					
EFA capital grants	72,335	640,247	(114,441)		598,141
Capital expenditure from GAG					34,273
Other EFA grants			(8,216)	49,698	7,209
Assets transferred from EFA		2,957,458			2,957,458
	72,335	3,597,705	(122,657)	49,698	3,597,081
Total restricted funds	127,747	4,411,031	(926,298)	(13,121)	3,599,359
Unrestricted funds		21,822	(23,060)	5,121	3,883
Total funds	127,747	4,432,853	(949,358)	(8,000)	3,603,242

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

General Annual Grant

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 2014.

Other DfE/EFA Grants

This is money received from the EFA via the Local Authority to support individual students with a SEN Statement. This also includes other small sundry grants received in the year.

Restricted Pension Reserves

This represents the negative reserve in respect of the LGPS pension scheme transferred over – see note 26.

Restricted Fixed Asset Funds

The funds include the of a new building that was provided to the Academy by the EFA and monies received from the DfE/ EFA specifically for the capital expenditure on fixed assets.

Notes to the Financial Statements (continued)

18. Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			3,561,634	3,561,634
Current assets	3,883	214,789	35,447	254,119
Current liabilities		(199,511)		(199,511)
Pension liability		(13,000)		(13,000)
	<u>3,883</u>	<u>2,278</u>	<u>3,597,081</u>	<u>3,603,242</u>
Total net assets	<u><u>3,883</u></u>	<u><u>2,278</u></u>	<u><u>3,597,081</u></u>	<u><u>3,603,242</u></u>

19. Capital commitments

	2014 £	2013 £
Contracted for, but not provided in the financial statements	<u>7,455,076</u>	<u>236,012</u>
	<u>7,455,076</u>	<u>236,012</u>

On 9 October 2014 the academy entered into a contract in relation to the construction of a primary and Secondary School at Thomas Hall, Exeter. The contract value is £7,455,076. The EFA have provided the Academy with a funding approval letter dated 25 September 2014 confirming that the construction work will be funded.

20. Financial commitments

Operating leases

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

Land and buildings

	2014 £	2013 £
Equipment		
Expiring within one year		
Expiring between one and two years	73,320	73,320
Expiring between two to five years		
	<u>73,320</u>	<u>73,320</u>

The Academy has entered into a contract with Exeter County Council to lease the site at Foxhayes. The lease expires on 31 August 2016. An annual peppercorn rent may be demanded by Exeter City Council.

Steiner Academy Exeter (Registered number: 07956691)

Year Ended 31 August 2014

Notes to the Financial Statements (continued)

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

	2014	2013
	£	£
Net income before interest receivable	3,483,352	20,032
Non cash donations	(2,957,458)	
Depreciation (note 13)	122,657	674
Loss on disposal of assets		
Net FRS 17 LGPS pension	5,000	
(Increase)/decrease in stocks	4,112	
(Increase)/decrease in debtors	(84,576)	(66,525)
Increase/(decrease) in creditors	73,972	35,057
Net cash inflow from operating activities	<u>647,059</u>	<u>(10,762)</u>

22. Returns on investments and servicing of finance

Interest received (note 5)	143	207
Net cash inflow from returns on investment and servicing of finance	<u>143</u>	<u>207</u>

23. Capital expenditure and financial investment

Purchase of fixed assets	(654,498)	(72,335)
Proceeds on sale of fixed assets		
Net cash outflow from capital expenditure and financial investment	<u>(654,498)</u>	<u>(72,335)</u>

24. Analysis of changes in net funds

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
Cash in hand and at bank	75,642	(7,296)	68,346
	<u>75,642</u>	<u>(7,296)</u>	<u>68,346</u>

25. Member's liability

Every member of the charitable company undertakes to contribute such amount as may be required (not exceeding £10) to the charitable company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the charitable company's debts and liabilities before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

Notes to the Financial Statements (continued)

26. Pension and similar obligations

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

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

Contributions amounting to £6,156 (2013 £7,199) were payable to the schemes at 31 August 2014 and are included in 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.

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Notes to the Financial (continued)

26. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

Notes to the Financial Statements (continued)

26. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £43,000 of which employer's contributions totalled £33,000 and employees' contributions totalled £10,000. The agreed contribution rates for future years are 19.75% for employers and 5.5% - 9.9% for employees.

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

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	4.5%	Na
Rate of increase for pensions in payment / inflation	2.7%	Na
Discount rate for scheme liabilities	4.0%	Na
Inflation assumption (CPI)	2.7%	Na

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+0.1%	0.0%	-0.1%
Adjustment to discount rate	£	£	£
Present value of total obligation	56	58	60
Projected service cost	42	43	44
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
	£	£	£
Present value of total obligation	58	58	58
Projected service cost	43	43	43
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
	£	£	£
Present value of total obligation	60	58	56
Projected service cost	44	43	42
	+ 1 Year	None	- 1 Year
Adjustment to mortality age rating assumption	£	£	£
Present value of total obligation	56	58	60
Projected service cost	42	43	44

Notes to the Financial Statements (continued)

26. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.7	Nil
Females	26.0	Nil
<i>Retiring in 20 years</i>		
Males	24.9	Nil
Females	28.3	Nil

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £	Expected return at 31 August 2013	Fair value at 31 August 2013 £
Equities	6.7%	12,000	Na	Na
Gilts	3.0%	2,000	Na	Na
Overseas equities	6.7%	15,000	Na	Na
Property	5.9%	4,000	Na	Na
Infrastructure	3.6%	1,000	Na	Na
Cash	2.9%	1,000	Na	Na
Target return portfolio	5.9%	7,000	Na	Na
Other bonds	3.6%	2,000	Na	Na
Alternative assets	5.9%	1,000	Na	Na
Total market value of assets		45,000		Na
Present value of scheme liabilities				
- Funded		(58,000)		Na
Surplus/(deficit) in the scheme		(13,000)		Na

Notes to the Financial Statements (continued)

26. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2014 £	2013 £
Current service cost (net of employee contributions)	38,000	Na
Past service cost	-	Na
Total operating charge	<u>38,000</u>	<u>Na</u>
Analysis of pension finance income / (costs)		
Expected return on pension scheme assets	1,000	Na
Interest on pension liabilities	<u>(1,000)</u>	<u>Na</u>
Pension finance income / (costs)	<u>(Nil)</u>	<u>Na</u>

The actual gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £8,000 (2013 - £nil).

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

	2014 £000	2013 £000
At 1 September	Nil	Na
Current service cost	38,000	Na
Past service cost		
Interest cost	1,000	Na
Employee contributions	10,000	Na
Actuarial (gain)/loss	9,000	Na
Curtailments and settlements		
Benefits paid		
At 31 August	<u>58,000</u>	<u>Na</u>

26. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2014 £	2013 £
At 1 September	Nil	Na
Expected return on assets	1,000	Na
Actuarial gain/(loss)	1,000	Na
Employer contributions	33,000	Na
Employee contributions	10,000	Na
Assets distributed on settlements		
Transfer in of new members		
Benefits paid		
At 31 August	45,000	Na

The estimated value of employer contributions for the year ended 31 August 2014 is £33,000 (2013 - £Nil).

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

	2014 £	2013 £
Present value of defined benefit obligations	(58,000)	Na
Fair value of share of scheme assets	45,000	Na
Surplus/(Deficit) in the scheme	(13,000)	Na
Experience adjustments on share of scheme assets	Nil	Na
Experience adjustments on scheme liabilities:	Nil	Na

27. 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.

S Rowett

A related party of AB Swindell (Trustee)

During the year S Rowett provided HR consultancy services to the academy totalling £1,295. At the balance sheet date the amount due to S Rowett was £nil.

The Academy made the purchase at arms' length. AB Swindell neither participated in, nor influenced the Trustee's decision on this purchase.

J Salmon

A related party of SJ Salmon (Trustee)

During the year J Salmon provide Tai Chi lessons to the academy totalling £200. At the balance sheet date the amount due to J Salmon was £nil.

The academy made the purchase at arms' length. SJ Salmon neither participated in, nor influenced the Trustee's decision on this purchase.

During the year there were no other related party transactions which require disclosure in the financial statements.

28. Controlling party

The Academy is controlled by its members.

29. Post balance sheet events

The accounts currently include costs of capital expenditure for which the Academy is able to reclaim by submitting a FFE claim to the EFA. Post year end the Academy submitted a claim relating to capital expenditure to the EFA for reimbursement of these costs. At the time of signing these accounts the funds had not yet been received.