

CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

Trustees M E Quinn, Chair of Governor's and Registered Member (appointed 25 September 2012, resigned 8 December 2014)^{1,2,3}
S Devo, Head Teacher, ContinU Plus Academy^{1,2,3}
R Chadwick, Chair of Governor's and Registered Member (appointed 8 December 2014)^{1,3}
N Parker, Governor²
J Reilly, Governor and Registered Member²
D Kent, Governor¹
N Harrington, Parent Governor (appointed 9 December 2013, resigned 20 November 2014)³
K Sarson, Staff Governor (appointed 14 October 2013)¹
J Toyne, Clerk (appointed 28 March 2014)¹

¹ Resources and Structures Committee
² Participation and Inclusion Committee
³ Achievement and Standards Committee

Company registered number 08228379

Principal and registered office Finepoint
Finepoint Way
Kidderminster
Worcestershire
DY11 7FB

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Solicitors Thursfields Solicitors
42 Foregate Street
Worcester
WR1 1EF

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

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

The Trust operates an academy for pupils aged 11 to 16 in Worcestershire. It has a pupil capacity of 120 and had a roll of 58 in the school census on 31 August 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy (incorporated on 25 September 2012 and opened on 1 September 2013) is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of ContinU Plus Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as ContinU Plus Academy.

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

Members' liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £3,000,000.

Principal Activity

The ContinU Plus Academy is an Alternative Provider Free School serving those children in the Wyre Forest Area who find accessing and making progress in the mainstream ContinU Trust Schools difficult. They are Permanently Excluded, or on the PX spectrum. At KS3 students are able, on referral from their home school or via a Permanent Exclusion, to access small group work and therapeutic activities to re-engage and enable a process of re-integration into their own or an alternative mainstream school. At KS4 the vast majority of students have a full time curriculum of core subjects and alternative provision and remain at the school until the end of year 11 where they are supported into transition arrangements for further education, training and employment. Student's well-being, Spiritual, Moral, Social and Cultural education are supported through a wide range of activities and trips. Behavioural support is a significant part of the offer providing students with very small group work and individual one to one support to help them take responsibility for themselves and their learning.

TRUSTEES

Method of recruitment and appointment or election of Trustees

The ContinU Trust Board appointed Liz Quinn as Chair of Governors and Educational Lead for the ContinU Plus Academy. The board also appointed Rob Chadwick (Director of the ContinU Trust) and Julie Reilly (Head Teacher of Bewdley High School) to represent the 7 ContinU schools on the board. Nick Parker (from Vestia Housing) and Derrin Kent, a local IT business provider, have both been involved with supporting the ContinU Trust for many years and were appointed by the ContinU Trust to reflect community and business knowledge on the ContinU Plus Academy Board of Trustees. On opening in September 2013 elections were held and Staff Governor Kim Sarson was appointed and parent Nicola Harrington elected unopposed.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The CPA is committed to working with young people who are excluded, or at risk of exclusion, from our consortium of schools and to proactively target post-16 destinations. We will support young people with multiple barriers to education and work; with health, behavioural, education and psychological problems and young people from dysfunctional families who often lead chaotic lifestyles. We will work directly with these young people, their families and our consortium of schools. We will engage support from our existing and comprehensive network of partners in education, training, health, benefits and the judicial system to support our students in becoming active citizens, exercising choices in their lives and taking a full part in society.

The ContinU Plus Academy offer is a curriculum that combines the development of personal and social skills with employability skills that are linked to the motivational/vocational interests of young people. This allows young people to learn the skills required to manage their work, their lives and their relationships.

Young people are empowered by this curriculum approach and develop a sense of ownership of their learning. This is highly motivating and is further enhanced by the sense of achievement when students gain accreditation for learning in the activities in which they are involved.

Learning provision is personalised around the needs of the individual students and they will be supported to choose a learning programme which matches their motivation, interest and personal learning style.

Objectives, Strategies and Activities

The ContinU Trust is passionate about working with some of the most disadvantaged and disenfranchised young people and young adults in our school communities. We support them to take control of their own lives, develop the range of academic, vocational and life skills required in today's complex world and to make the most of the opportunities available to them.

The CPA will allow The ContinU Trust to extend the depth and breadth of the provision to better meet the needs of young people and increase their educational outcomes and life chances. It will allow us to make long term investments in improving the wellbeing of our learners and further develop our academic and vocational offer for excluded students while meeting the evidenced demand and aspirations of parents and carers for quality Alternative Provision in the area.

Our school is integrated into ContinU Trust's partnership infrastructure, drawing on support and access to shared services and shared curriculum opportunities such as GCSE tuition. All the feeder secondary schools are ContinU Trust Members and fully support the CPA.

Our distinctive approach to Alternative Provision is firmly based on addressing the personal, social, core and vocational skills of our learners. We employ a personalised approach with agreed Individual Learning Plans for each young person. These use structured, supported activities to develop, deliver and accredit the range of academic, personal, social and employability skills required by young people to take control of their lives and make the transition back into mainstream education, further education, training or employment. It also delivers value for money by providing a specialised Alternative Provision service utilising a range of appropriate specialised staff and high quality, but relatively low cost premises.

Public Benefit

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

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

STRATEGIC REPORT

Achievements and Performance

Pre-Registration Approval by Ofsted under Section 99 of the Education and Skills Act 2008 was achieved and the budget for CPA was approved by the EFA and building work for the new school began at Fine Point Way, Kidderminster.

The Secretary of State for Education gave his approval to open the CPA in September on 13th August 2013. The Academy has had 3 DfE monitoring visits, tracking the progress of the academy in meeting its aims and will have the final visit in November 2014. The Academy is anticipating its first Ofsted visit in the term commencing January 2015.

Key Performance Indicators

Analysis of the academies financial performance was undertaken by examination of the following:

- The work of the responsible officer
- The work of the external auditor
- The financial, management and governance process

Going Concern

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

FINANCIAL REVIEW

Financial Review

ContinU Plus Academy was given two key grants during the period in relation to the start-up phase of the project. These project grants were fully spent in line with the DfE approved Action Plan.

PRINCIPAL RISKS AND UNCERTAINTIES

During the year ContinU Plus Academy worked with the DfE and local suppliers to enable the school premises to be built. The timetable for this project slipped during the period and as such the major risk to the ContinU Plus Academy is the late delivery of the school premises.

AUDITORS

In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 8 December 2014 and signed on the board's behalf by:



**R Chadwick
Chair of Trustees**

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that ContinU Plus Academy 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 ContinU Plus Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 5 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
M E Quinn (due to illness)	3	5
S Devo	5	5
R Chadwick	5	5
N Parker	3	5
J Reilly	5	5
D Kent	5	5
K Sarson	5	5
N Harrington	4	5

The Resources and Structures Committee is a committee of the main governing body. Its purpose is to maintain a continuing review of the financial affairs of the school. Using this information it is the committee's duty to make appropriate recommendations' to the Full Governing Body.

The responsibilities of the Resources and Structures Committee include; reviewing and providing a recommendation to the Full Governing Body for the annual budget and the business plan proposed by the Executive Principal, the monitoring of staffing structures and the curriculum costs and to oversee the health and safety and premises development plans. Attendance at meetings was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Chadwick	4	5
S Devo	5	5
D Kent	5	5
K Sarson	4	5

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in ContinU Plus Academy for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

**CONTINU PLUS ACADEMY
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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Responsible Officer 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 Trustees and Governing Body have considered the need for a specific internal audit function and have appointed a Responsible Officer. This is Sally Gill, Finance Manager at Haybridge High School, A ContinU Trust School.

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

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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Responsible Officer 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 2014 and signed on its behalf, by:



R Chadwick
Chair of Trustees



S Devo
Accounting Officer

**CONTINU PLUS ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



**S Devo
Accounting Officer**

Date: 8 December 2014

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees (who act as governors of ContinU Plus Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

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



**R Chadwick
Chair of Trustees**

Date: 8 December 2014

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONTINU PLUS ACADEMY

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

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONTINU PLUS ACADEMY

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.



Andrew Wood FCCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB
10 December 2014

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CONTINU PLUS ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 January 2014 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 ContinU Plus Academy during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF CONTINU PLUS ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of ContinU Plus Academy's funding agreement with the Secretary of State for Education dated 13 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 year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

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

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

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CONTINU PLUS ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

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



Andrew Wood FCCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB
10 December 2014

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2014 £	Restricted general funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	123	-	3,364,494	3,364,617	808,666
Activities for generating funds	3	777	-	-	777	-
Investment income	4	578	-	-	578	34
Incoming resources from charitable activities	5	-	1,921,669	-	1,921,669	219,090
TOTAL INCOMING RESOURCES		1,478	1,921,669	3,364,494	5,287,641	1,027,790
RESOURCES EXPENDED						
Charitable activities		-	1,724,781	9,943	1,734,724	239,316
Governance costs	9	-	9,750	-	9,750	3,500
Transfer from Local Authority on conversion		-	205,000	-	205,000	-
TOTAL RESOURCES EXPENDED	6	-	1,939,531	9,943	1,949,474	242,816
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		1,478	(17,862)	3,354,551	3,338,167	784,974
Transfers between Funds	17	-	(51,848)	51,848	-	-
NET INCOME FOR THE YEAR		1,478	(69,710)	3,406,399	3,338,167	784,974
Actuarial gains and losses on defined benefit pension schemes		-	(42,000)	-	(42,000)	-
NET MOVEMENT IN FUNDS FOR THE YEAR		1,478	(111,710)	3,406,399	3,296,167	784,974
Total funds at 1 September		34	(38,045)	822,985	784,974	-
TOTAL FUNDS AT 31 AUGUST		1,512	(149,755)	4,229,384	4,081,141	784,974

All activities relate to continuing operations.

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

The notes on pages 16 to 31 form part of these financial statements.

CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08228379

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		4,172,566		822,985
CURRENT ASSETS					
Debtors	15	311,334		253,074	
Cash at bank and in hand		322,712		632,804	
			634,046	885,878	
CREDITORS: amounts falling due within one year	16	(463,471)		(923,889)	
NET CURRENT ASSETS/(LIABILITIES)			170,575		(38,011)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,343,141		784,974
Defined benefit pension scheme liability	23		(262,000)		-
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			4,081,141		784,974
FUNDS OF THE ACADEMY					
Restricted general funds:					
General funds	17	112,245		(38,045)	
Fixed asset funds	17	4,229,384		822,985	
Restricted funds excluding pension liability		4,341,629		784,940	
Pension reserve		(262,000)		-	
Total restricted general funds			4,079,629		784,940
Unrestricted funds	17		1,512		34
TOTAL FUNDS			4,081,141		784,974

The Trustees consider that the Academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Academy to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2014 and are signed on their behalf, by:



R Chadwick
Chair of Trustees

The notes on pages 16 to 31 form part of these financial statements.

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	19	3,048,854	1,389,198
Returns on investments and servicing of finance	20	578	-
Capital expenditure and financial investment	20	(3,359,524)	(758,323)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(310,092)	630,875

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

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(310,092)	630,875
MOVEMENT IN NET FUNDS IN THE YEAR	(310,092)	630,875
Net funds at 1 September 2013	632,804	1,929
NET FUNDS AT 31 AUGUST 2014	322,712	632,804

The notes on pages 16 to 31 form part of these financial statements.

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 FUND ACCOUNTING

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

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

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

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

1.3 INCOMING RESOURCES

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

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

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

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

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's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

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 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. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the [year/period] ended 31 August 2014.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 capitalised.

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

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Asset under construction	-	Not currently depreciated
Motor vehicles	-	5 years straight line basis
Office equipment	-	3 - 5 years straight line basis
Computer equipment	-	3 years straight line basis

1.7 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.

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.8 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted general funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	123	-	123	-
Government grants	-	3,364,494	3,364,494	808,666
	<u>123</u>	<u>3,364,494</u>	<u>3,364,617</u>	<u>808,666</u>
Voluntary income	<u>123</u>	<u>3,364,494</u>	<u>3,364,617</u>	<u>808,666</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted general funds 2014 £	Total funds 2014 £	Total funds 2013 £
Fees received	777	-	777	-
	<u>777</u>	<u>-</u>	<u>777</u>	<u>-</u>

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted general funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest	578	-	578	34

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted general funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA grants				
General Annual Grant	-	636,426	636,426	-
Start up Grants	-	160,000	160,000	-
Project development grant	-	2,100	2,100	219,090
Other government grants non capital	-	685,188	685,188	-
Other	-	437,955	437,955	-
	-	1,921,669	1,921,669	219,090

6. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other 2014 £	Total 2014 £	Total 2013 £
Direct costs	886,450	9,943	267,100	1,163,493	86,173
Support costs	89,948	211,881	269,402	571,231	153,143
CHARITABLE ACTIVITIES	976,398	221,824	536,502	1,734,724	239,316
GOVERNANCE	-	-	9,750	9,750	3,500
OTHER RESOURCES EXPENDED	-	-	205,000	205,000	-
	976,398	221,824	751,252	1,949,474	242,816

CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

7. DIRECT COSTS

	Total 2014 £	Total 2013 £
Pension finance costs	6,720	-
Educational supplies	199,626	6,306
Staff training costs	45,338	3,916
Other costs	15,403	4,179
Technology costs	12	7
Wages and salaries	726,946	69,836
National insurance	48,951	-
Pension cost	110,554	-
Depreciation	9,943	1,929
	<u>1,163,493</u>	<u>86,173</u>

8. SUPPORT COSTS

	Total 2014 £	Total 2013 £
Pension finance costs	1,280	-
Other costs	935	1,878
Recruitment and other staff costs	14,047	29,654
Maintenance of premises and equipment	97,731	3,690
Cleaning	18,614	-
Rent and rates	1,541	-
Heat and light	7,339	-
Insurance	18,923	-
Security and transport	86,656	-
Catering	69,455	3,386
Technology costs	35,050	10,540
Office overheads	21,998	4,240
Legal and professional	107,714	90,621
Wages and salaries	75,487	9,134
National insurance	3,336	-
Pension cost	11,125	-
	<u>571,231</u>	<u>153,143</u>

9. GOVERNANCE COSTS

	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	<u>9,750</u>	<u>3,500</u>

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	9,943	1,929
Auditors' remuneration	9,750	3,500
	<u> </u>	<u> </u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	797,848	78,970
Social security costs	52,287	-
Pension costs	121,679	-
	<u> </u>	<u> </u>
	971,814	78,970
Supply teacher costs	4,584	-
	<u> </u>	<u> </u>
	<u>976,398</u>	<u>78,970</u>

b. Staff numbers

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

	2014	2013
Management	3	0
Teachers	9	0
Support staff	16	0
	<u> </u>	<u> </u>
	<u>28</u>	<u>0</u>

Employees were previously paid through Stourport High School on behalf of ContinU Plus Academy.

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration, including pension contributions in the year was S Devo £60,000 - £65,000 (2013: £nil) and K Sarson £40,000 - £45,000 (2013: £nil).

During the year ended 31 August 2014, no Trustees received any benefits in kind (2013: £NIL).
During the year ended 31 August 2014, no Trustees received expenses for their role as Trustees .

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,953 (2013: £NIL). The cost of this insurance is included in the total insurance cost.

14. TANGIBLE FIXED ASSETS

	Asset under construction £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
COST					
At 1 September 2013	808,666	-	5,373	10,875	824,914
Additions	3,307,676	35,895	15,953	-	3,359,524
At 31 August 2014	<u>4,116,342</u>	<u>35,895</u>	<u>21,326</u>	<u>10,875</u>	<u>4,184,438</u>
DEPRECIATION					
At 1 September 2013	-	-	436	1,493	1,929
Charge for the year	-	897	5,421	3,625	9,943
At 31 August 2014	<u>-</u>	<u>897</u>	<u>5,857</u>	<u>5,118</u>	<u>11,872</u>
NET BOOK VALUE					
At 31 August 2014	<u>4,116,342</u>	<u>34,998</u>	<u>15,469</u>	<u>5,757</u>	<u>4,172,566</u>
At 31 August 2013	<u>808,666</u>	<u>-</u>	<u>4,937</u>	<u>9,382</u>	<u>822,985</u>

The Academy' transactions relating to land and buildings included:

- during the previous 18 months, the freehold building of ContinU Plus Academy was built for a total cost of £4,116,342.

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

15. DEBTORS

	2014	2013
	£	£
Other debtors	16,270	-
Prepayments and accrued income	17,114	6,634
Tax recoverable	45,996	179,849
Grants Receivable	231,954	66,591
	<u>311,334</u>	<u>253,074</u>

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

	2014	2013
	£	£
Trade creditors	359,142	704,250
Other taxation and social security	32,457	-
Accruals and other creditors	71,872	219,639
	<u>463,471</u>	<u>923,889</u>

DEFERRED INCOME

Resources deferred during the year	<u>935</u>
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**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/(Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	34	1,478	-	-	-	1,512
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	636,426	(510,378)	(51,848)	-	74,200
Pupil premium	-	2,100	(2,100)	-	-	-
Start up grant	-	160,000	(121,955)	-	-	38,045
Other DfE/EFA grants	(38,045)	685,188	(647,143)	-	-	-
Other income	-	437,955	(437,955)	-	-	-
Pension reserve	-	-	(220,000)	-	(42,000)	(262,000)
	(38,045)	1,921,669	(1,939,531)	(51,848)	(42,000)	(149,755)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets purchased from GAG and other restricted funds	14,319	-	(9,943)	51,848	-	56,224
DfE/EFA Capital grants	808,666	3,364,494	-	-	-	4,173,160
	822,985	3,364,494	(9,943)	51,848	-	4,229,384
Total restricted funds	784,940	5,286,163	(1,949,474)	-	(42,000)	4,079,629
Total of funds	784,974	5,287,641	(1,949,474)	-	(42,000)	4,081,141

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

Restricted Funds

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

Pupil Premium - Income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Start up Grant - One off Grant from EFA which will be used to help towards the costs associated with running a larger school and to cover the economies of scale, as well as to cover start up costs..

Other grants - Income which has been received for specific purposes.

Pension reserve - This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme.

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

17. STATEMENT OF FUNDS (continued)

Fixed Asset Funds

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

The transfer between funds in the year relates to tangible fixed assets purchased using restricted GAG funding.

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

SUMMARY OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
General funds	34	1,478	-	-	-	1,512
Restricted general funds	(38,045)	1,921,669	(1,939,531)	(51,848)	(42,000)	(149,755)
Restricted fixed asset funds	822,985	3,364,494	(9,943)	51,848	-	4,229,384
	<u>784,974</u>	<u>5,287,641</u>	<u>(1,949,474)</u>	<u>-</u>	<u>(42,000)</u>	<u>4,081,141</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds	Total funds
	2014	2014	2014	2014	2013
	£	£	£	£	£
Tangible fixed assets	-	-	4,172,565	4,172,565	822,985
Current assets	1,512	575,715	56,819	634,046	885,878
Creditors due within one year	-	(463,470)	-	(463,470)	(923,889)
Pension scheme liability	-	(262,000)	-	(262,000)	-
	<u>1,512</u>	<u>(149,755)</u>	<u>4,229,384</u>	<u>4,081,141</u>	<u>784,974</u>

CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	3,338,167	784,974
Returns on investments and servicing of finance	(578)	-
Pension liability transferred on conversion	205,000	-
Depreciation of tangible fixed assets	9,943	-
Increase in debtors	(58,260)	(253,074)
(Decrease)/increase in creditors	(460,418)	857,298
Defined benefit pension scheme adjustments	15,000	-
NET CASH INFLOW FROM OPERATIONS	3,048,854	1,389,198

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

	2014 £	2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	578	-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(3,359,524)	(758,323)

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	632,804	(310,092)	-	322,712
NET FUNDS	632,804	(310,092)	-	322,712

22. CAPITAL COMMITMENTS

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

	2014 £	2013 £
Contracted for but not provided in these financial statements	-	350,078

Commitments contracted for are paid for by future restricted fixed asset income due to be received.

23. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

Valuation of the Teachers' Pension Scheme

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.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

23. PENSION COMMITMENTS (continued)

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

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

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

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £87,000, of which employer's contributions totalled £64,000 and employees' contributions totalled £23,000. The agreed contribution rates for future years are 13.6% for employers and 5.5-7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

23. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	7.00	130,000
Bonds	3.80	9,000
Cash	0.50	2,000
Total market value of assets		<u>141,000</u>
Present value of scheme liabilities		<u>(403,000)</u>
(Deficit)/surplus in the scheme		<u><u>(262,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(403,000)	-
Fair value of scheme assets	<u>141,000</u>	-
Net liability	<u><u>(262,000)</u></u>	<u><u>-</u></u>

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

	2014 £	2013 £
Current service cost	(71,000)	-
Interest on obligation	(12,000)	-
Expected return on scheme assets	<u>4,000</u>	-
Total	<u><u>(79,000)</u></u>	<u><u>-</u></u>

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

	2014 £	2013 £
Current service cost	71,000	-
Interest cost	12,000	-
Contributions by scheme participants	23,000	-
Actuarial Losses	44,000	-
Benefits paid	3,000	-
Liability transferred on conversion	<u>250,000</u>	-
Closing defined benefit obligation	<u><u>403,000</u></u>	<u><u>-</u></u>

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

23. PENSION COMMITMENTS (continued)

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

	2014	2013
	£	£
Expected return on assets	4,000	-
Actuarial gains and (losses)	2,000	-
Contributions by employer	64,000	-
Contributions by employees	23,000	-
Benefits paid	3,000	-
Asset transferred on conversion	45,000	-
	<hr/> 141,000 <hr/>	<hr/> - <hr/>

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

	2014	2013
Equities	92.30 %	- %
Other bonds	6.50 %	- %
Cash	1.20 %	- %

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

	2014
Discount rate for scheme liabilities	4.00 %
Expected return on scheme assets at 31 August	6.42 %
Rate of increase in salaries	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %
Proportion of employees opting for early retirement	2.20 %

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

	2014	2013
Retiring today		
Males	23.3 years	-
Females	25.7 years	-
Retiring in 20 years		
Males	25.5 years	-
Females	28.0 years	-

**CONTINU PLUS ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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

23. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(403,000)
Scheme assets	141,000
Deficit	(262,000)
Experience adjustments on scheme liabilities	(44,000)
Experience adjustments on scheme assets	2,000

24. 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. The following related party transactions took place in the year:

Stourport High School, deemed to be a related party due to M E Quinn being a trustee of both companies. During the year Stourport High School paid recharges £48,000 (2013: £NIL) to ContinU Plus Academy in relation to their pupils attending ContinU Plus Academy. During the year Stourport High School paid expenses and payroll costs of £294,715 (2013 - £174,444) in relation to ContinU Plus Academy employees. As at 31 August 2014 £23,204 (2013: £44,363) was owed by ContinU Plus Academy to Stourport High School.

ContinU Trust, deemed to be a related party due to M E Quinn and J E Reilly being trustees in both companies. During the year ContinU Plus Academy made sales of £239,074 (2013: £NIL) and purchases of £NIL (2013: £17,100) to ContinU Trust and at 31 August 2014 £NIL (2013: £5,400) was owed by ContinU Plus Academy to ContinU Trust.

The Development Manager Limited, deemed to be a related party due to D Kent being a trustee of ContinU Plus Academy and director of The Development Manager Limited. During the year purchases of £4,080 (2013: £5,923) were made from the company and at 31 August 2014 £240 (2013: £NIL) was owed to The Development Manager Limited.