

ALLIED SCHOOLS AGENCY LIMITED

Financial Statements 31 July 2014
Together with Directors' and Auditors' Reports

Registered Charity Number: 313158

Registered Company Number: 306977

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COMPANIES HOUSE

Directors and Officers

Nicholas John Durlacher CBE (Chairman)
Michael Keith Bewes MA FCIPD FCMI FRSA
Reverend Jonathan James Molyneux Fletcher MA
Mary Katherine Henderson MA, PGCE
Jeremy Samuel John Marshall MA MBA
Michael Beauchamp Mansel Porter BA MSc

Company Secretary

Michael Beauchamp Mansel Porter BA MSc

Auditors

Saffery Champness
Lion House
Red Lion Street
London WC1R 4GB

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London EC4M 7RD

Bankers

Barclays Bank Plc
PO Box 858
Wytham Court
11 West Way,
Botley
Oxford
OX2 0XP

Insurance Advisors

Marsh Ltd Education
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

Investment Managers

Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

Registered Office

CPAS
Sovereign Court One (Unit 3)
Sir William Lyons Road
University of Warwick Science Park
COVENTRY
CV4 7EZ

Principal Office

Rectory Barn
6 The Moat
Kingham
Chipping Norton
Oxfordshire
OX7 6XZ

Directors' Duties and Responsibilities

The Directors (who are also Trustees of the Allied Schools Agency Limited for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware there is no relevant audit information of which the company's auditor is unaware; and the Directors 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.

Directors

The Directors of the company who served during the year are as follows:

Nicholas John Durlacher CBE (Chairman)	
Michael Keith Bewes MA	
Reverend Jonathan James Molyneux Fletcher MA	(Appointed 3 February 2014)
Mrs Mary Katherine Henderson MA PGCE	
Jeremy Samuel John Marshall MA MBA	
Michael Beauchamp Mansel Porter BA MSc	
Richard George Alexander Baxter MA	(Resigned 27 September 2013)
Herbert Walter Campion ACA ATII	(Resigned 27 September 2013)
Christopher Honeyman Brown FCA	(Resigned 27 September 2013)
Dermot James McMeekin MBA	(Resigned 27 September 2013)
Mrs Sarah Elizabeth Pullan BA FCA	(Resigned 27 September 2013)
Mrs Susan Margaret Whitfield BA, MA (Cantab)	(Resigned 27 September 2013)

Mr Baxter, Mr Campion, Mr Honeyman Brown, Mr McMeekin, Mrs Pullan and Mrs Whitfield retired on 27 September 2013 upon the dissolution of the Allied Schools Council and because of the requirement for independence of directors from the schools that are overseen by the company. (The above named former directors are Governors at the various Allied Schools)

In accordance with the new Articles of Association Mr Marshall and Mr Porter retire by rotation, but being eligible offer themselves for re-election.

Reverend Jonathan Fletcher was appointed to the Board during the year and therefore retires, but being eligible offer himself for re-election.

None of the directors had a beneficial interest in any contract to which the company was a party during the year.

Annual General Meeting

The Annual General Meeting of the Company was held at Hoares Bank, 37 Fleet Street, London, EC4P 4DQ on 27th January 2015

Governance

The Company's governing document is the Memorandum and Articles of Association as most recently amended on 26th September 2013. The Directors are responsible for the overall management and control of Allied Schools Agency Limited ("the Company") and usually meet three times a year. Two of the directors are appointed by the Martyrs' Memorial and Church of England Trust (MMT). The Company is trustee for the Lowther and Felixstowe Awards Charitable Trust (Charity Number 328004) Responsibility for day to day management is delegated to the General Manager who is a Director.

Relationship with the Allied Schools Group

The Allied Schools Group consists of five schools (Canford School, Harrogate Ladies' College, Stowe School, Westonbirt School, and The Wrekin Old Hall Trust) which have been closely associated for over 80 years. Collectively these schools are referred to as "the Allied Schools". All of the Allied Schools were founded or acquired by the secretary to the MMT on the Trust's behalf. An extensive review that lasted two years, of the relationship between MMT, the Allied Schools and the Company concluded with the appointment of the Company as the agent of MMT, with an oversight role intended to ensure the on-going prosperity and success of the Allied Schools and their adherence to the foundational religious principles. The role of the Company and its powers are set out in detail in an Agreement that was signed by the Allied Schools, the MMT and the Company on 26th September 2013.

Under the terms of the Agreement the Allied Schools are committed to meeting the net operating costs including additional pensions contributions of the Company, which amounted to a total of £239,831 for the year (2013: £232,012)

Objectives and Principal Activities

The object of the Company, which is also its charitable object, is the advancement of education at the Allied Schools. Its aim is to ensure the highest standards of Governance and financial management are applied through the Allied Schools and thus to ensure their continued financial health. In turn, this ensures that the schools continue to fulfil their own charitable objects, being the advancement of education of boys and girls in accordance with the principles of the Church of England.

Public Benefit

The Company delivers charitable public benefit by providing cost-effective services and advice to the schools with which it is linked, thus assisting the Allied Schools to maximise the public benefit they themselves offer. In setting the Company's objectives the Directors have given careful consideration to the Charity Commission's general guidance on charitable public benefit and in particular to the supplementary charitable public benefit guidance on advancing education.

Review of the Year

During the course of the year, the Company implemented the conclusions of a thorough review of the services it provides and the role performed. The review concluded that the Allied Schools' interests are better served by providing for themselves many of the services that had previously been undertaken centrally by the Company; however, the MMT and the Allied Schools agreed that there was an enhanced role for the Company that has been set out in detail in the Agreement dated 26th September 2013. Under the Agreement the Company was appointed the agent of MMT in overseeing the conduct of the Allied Schools and protecting the interests of MMT financially and by establishing procedures for escalation and

resolution of any concerns about the schools' viability or adherence to the religious ethos prescribed by the MMT.

The Company performed its obligations to the schools providing advice and guidance to the Governing Bodies; the company fulfilled its duties to MMT as the General Manager attends all meeting of the Governing Bodies of the schools and produces reports on the financial performance and future prospects for the schools.

The General Manager supported an extensive review of Governance at one of the Allied Schools, which led to a realignment of the Governing Body's sub-committees and which will lead to the adoption of new Terms of References for each sub-committee and which will include definition of each committee's role for management of specified risks identified by the Governing Body. At another school the General Manager has been co-opted to a joint committee of Governors and senior staff to oversee a significant project that will lead to the repositioning of the school to serve better its market and to revive pupil recruitment. At a third school the general Manager supported a Governor in the redrafting of the school's Instrument of Governance.

In addition to projects such as those described above, the General Manager supports the Governing Bodies and Management teams of the Allied Schools on an as needed basis when issues and challenges arise; on a day to day basis he advises the Chairmen of the Allied Schools on good practice in relation to Governance, Charity Law and Company law.

The Company distributed £14,953 from the Lowther and Felixstowe Awards Charitable Trust (LFACT) funds towards the cost of education of individual pupils, who would not otherwise be able to afford the fees at Allied Schools, on the recommendations of their respective head teacher or bursary committee. The funds distributed during the year from the LFACT represented the year's income less costs charged by the investment manager.

Financial Review

The Company's net operating costs of £239,831 (2013: £232,012) continue to be funded by the Allied Schools.

The Company paid £14,953 (2013: £117,878) from funds held as trustee for the provision of scholarships, bursaries and prizes.

During the year ended 31 July 2012 the Company was informed by the Pensions Trust that subsequent to the triennial scheme valuation as at 30 September 2011, the Scheme Trustee had proposed a recovery plan which aimed to eliminate the funding deficit revealed over 10 years from 1 April 2013.

Under the recovery plan, the Company is required to make additional contributions of £33,017.89 per annum from 1 April 2014, and £34,008.42 per annum from 1 April 2015. These additional costs are met by contributions from the Allied Schools. The Company accounts for employer pension contributions in the year in which they are incurred, as explained in note 1 to the Financial Statements.

Scheme members include former employees of Lowther College and Felixstowe College, which have now closed.

Further details are given in Note 15 to the Financial Statements.

Reserves Policy

In accordance with the Scheme of Management, the costs of the Allied Schools Agency Limited are met by the Allied Schools. A reserve more substantial than the retained income of £3,628 is not considered appropriate.

Investment Policy

The Company administers investments on behalf of the Lowther and Felixstowe Awards Charitable Trust. The policy is to maintain a balance between equity and fixed interest investment of approximately 70% /

30% so as to provide sufficient income to fund annual scholarships, bursaries and prizes, while seeking equity growth over the long term.

Details of the investments are given in Note 8.

The Memorandum of Association permits the Company to invest and deal with its moneys not immediately required in such manner as may from time to time be thought fit.

Risk Management

The Directors have formally reviewed and analysed the major risks to the Company, and are satisfied that action has been taken to mitigate the risks to the extent possible. The Company will continue to monitor and re-assess the risks on an annual basis

Two critical risks were identified by the directors immediately following the completion of the agreement between the Allied Schools and MMT. First, the General Manager represents a single point of failure in that he has a detailed understanding of each of the Allied Schools and is trusted by them, and it would be difficult to replace him at short notice. Therefore the Company's ability to fulfil its obligations to the schools and its role as agent for MMT would be impaired. On the advice of the General Manager and the Chairman the Company has appointed a former partner of a firm of auditors who has expertise in charity accounts (SORP) and education to advise on financial matters when requested, to attend relevant meetings and to act as an alternate to the General Manager if he were to be unable to perform his duties

The second major risk is the failure of one of the Allied Schools leading to its closure, resulting in a shortfall in the income of the Company to meet its costs; this eventuality is covered by the Agreement which would automatically trigger a reallocation of contributions made by the remaining schools to the company's costs, including additional pension contributions. One of the Company's primary roles is the monitoring of the financial well-being and management of the Allied Schools; it is likely that the Company will have advance warning of any such threat and be able to plan accordingly. The closure of a school would involve a significant extra workload for the General Manager who would play a role on behalf of MMT in securing the sale of residual assets, the proceeds of which would revert to MMT's direct control, after deduction of costs, to be applied in accordance with the charitable objects of the failed school.

Plans for Future Periods

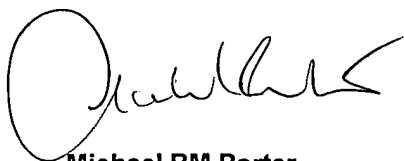
The Company's continuing objective is to support the Allied Schools in achieving a high standard of governance and to fulfil the role of Agent of the Martyr's Memorial Trust. The Company continues to seek ways to reduce its costs and has decided to close the offices at Featherbed Court, Mixbury resulting in the redundancy of the office manager and Personal Assistant in December 2014. In future the General Manager will work from home resulting in a reduction of costs in a full year of about £40,000.

Auditors

Saffery Champness have expressed their willingness to continue as auditors.

This report was prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Board on 27th January 2015.



Michael BM Porter
Company Secretary

We have audited the financial statements of Allied Schools Agency Limited for the year ended 31 July 2014 set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company'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 company'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 company and the company's 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 Trustees' Responsibilities Statement, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 charity'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 Directors' 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 charity's state of affairs as at 31 July 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 Companies Act 2006.

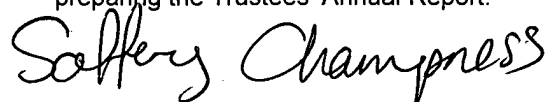
Opinion on other matter prescribed by the Companies Act 2006

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

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.
- the trustees were not entitled to prepare the financial statements and the Trustees' Annual Report in accordance with the small companies' regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.



Cara Turlington (Senior Statutory Auditor)
For and on behalf of Saffery Champness
Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London WC1R 4GB

3 February 2015

Allied Schools Agency Limited
Statement of Financial Activities
For the year ended 31 July 2014

	Notes	Unrestricted general fund £	Restricted trust funds £	Total 2014 £	Total 2013 £
INCOMING RESOURCES					
Income from charitable activities					
Contributions from Allied schools		239,831	-	239,831	232,012
Incoming resources from generated funds					
Investment income	2	-	20,282	20,282	21,394
Other incoming resources		5	-	5	5
Total incoming resources		239,836	20,282	260,118	253,411
RESOURCES EXPENDED					
Cost of generating funds					
Bank and investment management charges		972	5,397	6,369	4,570
Charitable activities					
Provision of services and other support to schools	3	222,090	-	222,090	212,028
Provision of scholarships, bursaries and prizes	3	-	14,953	14,953	117,878
		222,090	14,953	237,043	329,906
Governance costs	3	16,774	-	16,774	20,768
Total resources expended	3	239,836	20,350	260,186	355,244
Net (outgoing)/incoming resources for the year		-	(68)	(68)	(101,833)
Gains on investment assets		-	17,141	17,141	86,310
Net movement in funds		-	17,073	17,073	(15,523)
Fund balances at 1 August		3,628	624,269	627,897	643,420
Fund balances at 31 July		3,628	641,342	644,970	627,897

The net result for the year includes realised gains on investments of £83 (2013: losses of £360)

All operations of the company continued throughout both years and no operations were acquired or discontinued in either period under review. The accompanying notes are an integral part of this statement of financial activities.

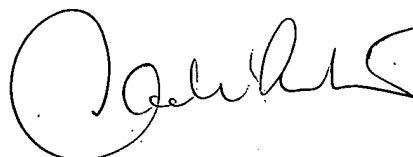
Allied Schools Agency Limited
Balance Sheet
As at 31 July 2014

	Notes	2014 £	2013 £
Tangible fixed assets	7	757	2,148
Investments			
Restricted funds	8	631,512	619,321
		<u>631,512</u>	<u>619,321</u>
Current assets			
Debtors	9	1,816	2,347
Cash at bank and in hand		<u>57,512</u>	<u>36,819</u>
		59,328	39,166
Creditors: amounts falling due within one year	10	<u>(46,611)</u>	<u>(32,722)</u>
Net current assets / (liabilities)		12,717	6,444
Total assets less current liabilities		<u>644,986</u>	<u>627,913</u>
Net assets		<u>644,986</u>	<u>627,913</u>
 Share capital	 11	 <u>16</u>	 <u>16</u>
Unrestricted funds			
Retained income	12	<u>3,628</u>	<u>3,628</u>
		3,628	3,628
Restricted funds	13	641,342	624,269
Total funds		<u>644,986</u>	<u>627,913</u>

The financial statements on pages 7 to 16 were approved by the Board of Directors on 27th January 2015 and signed on its behalf by:



Nicholas John Durlacher CBE
Director



Michael Beauchamp Mansel Porter BA MSc
Director

Company registered number: 306977

The accompanying notes are an integral part of this balance sheet.

1. Accounting Policies

a) *Basis of accounting*

The financial statements have been drawn up on the historical cost basis of accounting, with the exception of investments, which are included on a market value basis. The financial statements have been prepared in accordance with the Statement of Recommended Practice ("SORP 2005") "Accounting and Reporting by Charities", and in accordance with applicable accounting standards. The financial information is presented for the company as an individual undertaking and not about its group. No cash flow statement has been prepared, as the company is classified as a small company and is permitted to an exemption as given by paragraph 5(f) of Financial Reporting Standard Number 1 Revised (Cash Flow Statements).

b) *Income and Expenditure*

Income and expenses are included in the financial statements on an accruals basis; expenses are borne by the several schools known as the Allied Schools.

c) *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less accumulated depreciation. Donations of tangible fixed assets are capitalised at their cash value or at estimated cash value if received in kind. Improvements to leasehold property are amortised over the remaining term of the lease.

Depreciation is provided on other tangible fixed assets so as to write off their cost, less estimated residual value, by equal instalments over the estimated useful lives of the assets concerned. The estimated useful lives are considered to be as follows:

Computer equipment	- 4 or 5 years
Furniture, fixtures and fittings	- 10 years
Motor Vehicles	- 4 years

Fixed assets costing more than £1,000 are capitalised and carried in the balance sheet at cost.

d) *Operating leases*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

e) *Finance leases*

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Statement of Financial Activities over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

g) *Restricted funds investments*

The restricted fund investments are stated at market value, less any provision for permanent diminution in value. Market value is taken to be the market selling price ruling at the balance sheet date. Gains or losses on investments are included in the Statement of Financial Activities.

h) *Pensions*

Staff are invited to become members of The Pensions Trust Growth Plan. The Plan is a multi-employer pension scheme where it is not possible on a reasonable and consistent basis to separately identify the assets and liabilities of participating employers. Consequently, the amounts charged to the Statement of Financial Activities in respect of pension costs are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

- i) *Unrestricted funds*
These are funds which can be spent on any purpose within the company's objects and are detailed in Note 12.
- j) *Restricted funds*
These are funds held by the company as trustee and can only be applied for particular purposes. The restricted funds held by the company are more fully described in Note 13.

2 Investment Income

Investment income comprises:

	2014 £	2013 £
Dividends	19,614	21,049
Interest	668	345
Total	20,282	21,394

3 Analysis of total resources expended

	Staff Costs £	Other Costs £	Depreciation £	Total £
Cost of generating funds				
Bank and investment management charges	-	6,369	-	6,369
Charitable activities				
Support and other services	151,792	68,417	1,881	222,090
Funds applied to composition fees	-	-	-	-
Provision of scholarships, bursaries and prizes	-	14,953	-	14,953
Total charitable activities	151,792	83,370	1,881	237,043
Governance costs	8,411	8,363	-	16,774
Total resources expended	160,203	98,102	1,881	260,186

4 Net outgoing resources are stated after charging / (crediting):

		2014	2013
	Note	£	£
Salaries		133,304	130,144
Social security costs		14,360	15,972
Pension costs		12,539	12,486
		<u>160,203</u>	<u>158,602</u>
Additional pension contributions	15	32,377	10,685
Depreciation - on owned assets		1,881	1,440
Auditors' remuneration for audit work		5,310	6,000
Operating lease rentals - land and buildings		<u>7,440</u>	<u>7,440</u>

5 Directors' emoluments:

The remuneration of the directors was as follows:

	2014	2013
	£	£
Emoluments	106,244	103,744
Company contributions to money purchase pension schemes	10,374	10,374
	<u>116,618</u>	<u>114,118</u>

Retirement benefits amounting to £nil (2013: nil) were paid in respect of past Directors.

None of the Directors receives any remuneration except for Mr M Porter who, as General Manager, was authorised to receive remuneration under clause 6.1 of the Articles of Association that were adopted on 26th September 2013. The same authorisation existed under the previous Memorandum of Association.

The company's pension contributions for Mr M Porter in the year were £10,374 (2013: £10,374). Mr M Porter was reimbursed travelling expenses of £4,248 (2013: £3,821).

Eight other Directors were reimbursed travelling expenses totalling £1,335 (2013: six received £1,816).

6 Employees

The average number of employees of the company during the financial year was 2 (2013: 2), all employed in management and administration functions.

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

	2014	2013
£100,001 - £110,000	<u>1</u>	<u>1</u>

7 Tangible assets

	Computer equipment	Furniture, fittings & equipment	Total
	£	£	£
Cost			
at 1 August 2013	9,896	4,167	14,063
Additions	490	-	490
Disposals		(629)	
at 31 July 2014	10,386	3,538	14,553
Accumulated Depreciation			
at 1 August 2013	8,052	3,863	11,915
Charge for the year	1,577	304	1,881
Disposals		(629)	
at 31 July 2014	9,629	3,538	13,796
Net book value at 31 July 2014	757	-	757
at 1 August 2013	1,961	735	2,696

8 Investments

	2014 £	2013 £
Investments at market value comprise the following:		
Government stocks	-	-
Other fixed interest bonds and deposits	20,921	21,265
	<u>20,921</u>	<u>21,265</u>
Common investment funds & exempt unit trusts	608,299	597,121
	<u>629,220</u>	<u>618,386</u>
UK bank balances and building society deposits	2,292	935
	<u>2,292</u>	<u>935</u>
Investments held as Trustee	631,512	619,321
	<u>631,512</u>	<u>619,321</u>

On the historic cost basis, the investment portfolio would be stated at £483,209 (2013: £485,833), resulting in a decrease in net assets of £148,303 (2013: decrease of £133,488). All of these assets are held within the United Kingdom.

Income arising is credited to the relevant funds during the year as follows:

- (1) Listed investments: dividends receivable
- (2) Bank balances: interest receivable

Any surpluses or deficits on the realisation of investments are accrued to or are borne by the relevant funds.

Movement in investment portfolio:

	Investments Held as Trustee £
Market Value of Investments at 1 August 2013	619,321
Fund management charges paid	(4,950)
Change in value of investments	17,141
	<hr/>
Market Value of Investments at 31 July 2014	631,512
	<hr/>

9 Debtors

	2014 £	2013 £
Amounts owed by member schools	-	663
Prepayments and accrued income	1,816	1,684
	<hr/>	<hr/>
	1,816	2,347

10 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	567	-
Other creditors	4,232	5,187
Taxation and social security	4,675	5,332
Accruals and deferred income	37,137	22,203
	<hr/>	<hr/>
	46,611	32,722

11 Share capital

	Authorised		Issued, allotted and fully paid	
	2014 Number	2013 Number	2014 £	2013 £
£1 ordinary shares	100	100	16	16

12 Unrestricted funds

	Retained Income £
At 1 August 2013	3,628
Result for the year	-
At 31 July 2014	<u>3,628</u>

13 Restricted funds

	At 31 July 2013 £	Investment Income £	Gains/ (losses) £	Expenses £	Payments £	At 31 July 2014 £
The Lowther and Felixstowe Awards Charitable Trust	624,269	20,282	17,141	(5,397)	(14,953)	641,342
Total restricted funds	624,269	20,282	17,141	(5,397)	(14,953)	641,342

The fund is used for the award of bursaries and prizes. The Charity administers the fund and allocates the income to the member schools in the proportions set out in the trust deed. The funds were originally for use in Lowther and Felixstowe schools, which closed. The Allied Schools Agency Limited is the trustee of The Lowther and Felixstowe Awards Charitable Trust.

14 Net funds

	Investments £	Tangible fixed assets £	Net current assets £	Total £
Unrestricted funds				
General Reserves	-	757	2,887	3,644
Restricted Funds	631,512	-	9,830	641,342
	<u>631,512</u>	<u>757</u>	<u>12,717</u>	<u>644,986</u>

15 Pensions

Allied Schools Agency Limited participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

The company paid contributions at the rates of 8 to 10% during the accounting period. Members paid contributions at the rate of 4% during the accounting period.

As at the balance sheet date there were 2 active members of the Plan employed by the company. The company continues to offer membership of the Plan to its employees.

The Scheme Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

The Scheme Actuary has prepared a funding position update as at 30 September 2013. The market value of the Plan's assets at that date was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

During the year ended 31 July 2012 the company was informed by The Pensions Trust that the Scheme Trustee had proposed a recovery plan which aimed to eliminate the funding deficit revealed by the triennial scheme valuation as at 30 September 2011 over 10 years from 1 April 2013.

Under the recovery plan, the company was required to make additional contributions of £32,056 per annum from 1 April 2013, and to make contributions of £33,018 per annum from 1 April 2014 and £34,008 per annum from 1 April 2015.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The Directors of Allied Schools Agency Limited do not plan to withdraw from the scheme within 12 months of signing these accounts. However the directors have been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2011. A withdrawal may occur if the company has no active

members of the scheme. The calculation basis that applies to the Plan was amended by a change in the definition of money purchase contained in the Pensions Act 2011. The Pensions Trust have advised that the estimated debt on withdrawal as at 30 September 2013 is £335,461. At 30 September 2012, on a similar basis, the figure was £456,216.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2013 the total deficit calculated on the buy-out basis was £219.9m.

16 Commitments under operating leases

The charity is committed to annual payments under operating leases as follows:

Expiry date:	Office Equipment		Land and Buildings	
	2014	2013	2014	2013
	£	£	£	£
Within 1 year	-	-	2,583	-
From 1 to 5 years	1,080	1,080	-	6,200

17 Capital commitments

Capital expenditure authorised at the balance sheet date amounted to £nil (2013: £nil).

18 Controlling party

No one party exerts significant control and therefore there is no controlling party.

19 Related party transactions

There were no related party transactions during the year.