

The University of Birmingham School
(A Company Limited by Guarantee)

Annual report and financial statements

Registered number 7960887

Period of accounts

Start Date: 1st March 2013

End Date: 31st August 2014

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Reference and Administrative Details

Members	The University of Birmingham Professor Michael Clarke Dr Christopher Banks
Governors	Professor Michael Clarke, Chairman Professor Kathleen Armour Professor James Arthur Dr Christopher Banks Professeor Edward Peck (resigned September 2014) Professor Saul Becker (appointed September 2014) Mr Lee Sanders The University of Birmingham (resigned September 2014)
Company Secretary	Ms Erin Withers (to September 2014) Ms Alexandra Tomkinson (from September 2014)
Senior Management Team	
Principal	Mr Michael Roden (from April 2014)
Interim Director of Operations	Ms Alexandra Tomkinson (from June 2014)
Project Manager	Ms Erin Withers (to September 2014)
Principal and Registered Office	The University of Birmingham School The University of Birmingham Edgbaston Birmingham England B15 2TT
Company Registration Number	7960887
Independent Auditor	Deloitte LLP 1 Woodborough Road Nottingham NG1 3FG
Bankers	Lloyds TSB University of Birmingham Branch 142 Edgbaston Park Road Birmingham B15 2TY
Solicitors	Veale Wasborough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

Governors' report

The Governors who are also Trustees and Directors of the University of Birmingham School ('the School'), present their second annual report together with the financial statements and auditors' report of the charitable company for the period 1 March 2013 to 31 August 2014. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The University of Birmingham School will open in September 2015 and will be the first secondary University Training School in the UK. It will have an initial intake of 150 pupils in Year 7 and up to 200 in the Sixth Form, growing to its full capacity of 1,150 pupils in 2019-20.

Structure, Governance and Management

The School 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 School. The Trustees of the University of Birmingham School are also the Directors of the charitable company for the purposes of company law. The charitable company is known as the University of Birmingham School.

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

Members' Liability

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

Method of Recruitment and Appointment or Election of Governors

There are currently six Governors, all of whom have been appointed by the members. This will increase over the next year as the School prepares to open, up to a maximum of 18. Of these:

- a. ten will be "University nominated" Governors, appointed by the Members;
- b. two will be Staff Governors, appointed through a process determined by the Members;
- c. two will be Parent Governors, elected by parents;
- d. the Principal will either be an ex-officio Governor or a full Governor (see below); and
- e. there may be up to three Co-opted Governors, appointed by the other Governors.

The Members are obliged to by the School's Articles to ensure that the majority of School Governors are nominees of the University of Birmingham.

Policies and Procedures for Induction and Training of Trustees

Specific induction and training will be provided for Governors, covering all of their roles and responsibilities. All Governors are provided with the policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Governors. This is particularly important in the lead up to the School opening to ensure that there is clarity about the vision, ethos and strategic direction for the School.

Organisational Structure

At present, due to the start up nature of the School, the Governing Body meets every six weeks to two months. Until the appointment of the Principal in April 2014, the Governing Body made all the decisions relating to the School.

The remit of the Governors is to ensure clarity of vision, ethos and strategic direction, to hold the Principal to account for the educational performance of the School and its pupils, and to oversee the financial performance of the school and making sure its money is well spent.

The role of the Principal is to implement the strategic function as devised by the Governing Body and to lead and manage the day to day development of the school in advance of opening. The Principal is also designed as the Accounting Officer and is responsible for the financial and administrative matters of the School.

Governors' report (continued)

During 2014-15, the sub-committees of the Governing Body will be established, enabling the Governing Body to move to termly meetings. The senior leadership team will also be appointed during the year.

Connected Organisations

The School is connected to The University of Birmingham by virtue of the University's role as the founding member of the charitable company, the provision of services and the granting of a lease to occupy the site on which the School will be built.

Objectives and Activities

The principal objective and activity of the School, as set out in its memorandum and articles, is to establish and manage a school with a broad and balanced curriculum. It also provides for Initial Teacher Training and further advanced training for qualified teachers, including but not limited to masters level programmes.

In order to develop this the School is engaged in the start up phase in which the following activities are fundamental:

- obtaining planning permission and building the School;
- employing the Principal and other key staff for the first year of operation;
- undertaking public consultation to define the admissions policies;
- finalising funding and operational agreements;
- defining the curriculum;
- recruiting pupils; and
- developing all the necessary policies and procedures for operating the School.

In delivering these activities the Governors have complied with their duty to have due regard to the guidance on public benefit.

Going concern

After making appropriate enquiries, the Governors have a reasonable expectation that the School has adequate resources to continue with the design and build phase of the School and to operate for the foreseeable future. For this reason, the adoption of the going concern basis in preparing the financial statements is appropriate.

Financial Review

During the period of accounts, the School has been in start up phase. The majority of its funds have been spent on design and consultation services, project management, legal and financial advice related to the set up of the School, recruitment and salary of the Principal, and initial costs for the capital build of the School.

All the start up grant of £300,000 from the Department for Education has been spent and a further £275,000 from the University of Birmingham will be spent in advance of the School opening in 2015. The Department of Education have also confirmed a £20 million contribution to construction costs of the School, of which £5,337,000 was received during the year for the initial phase of the capital project.

Reserves Policy

Reserves are classified as either restricted or unrestricted. The restricted funds include the start up grant from the Department for Education. Unrestricted reserves represent any surplus funds on activities where there is no restrictions on their use. These funds will be carried forward without limit. It is not foreseen that there will be material unrestricted funds during the start up and build phase of the School.

Investment Policy

Funding is received for the start up phase in advance and is held in the School's current account until needed. During start up and build this is expected to continue.

Governors' report (continued)

Principal risks and uncertainties

Governors have identified the following principal risks and uncertainties facing the School:

- Financial - the School is in start up phase and is managing a start up budget of £300,000,.
There will also be significant additional funds to manage in relation to the build project.
Controlling cash flow as well as overall costs is critical to the success of this phase.
Establishing a viable operating budget for the opening of the School is also critical during the next phase.
- Recruitment - following the successful appointment of the Principal, the School needs to appoint all of its key subject leaders and senior leaders during 2014/15 who will determine the success of the School.
- Admissions - as the first school of its kind, it offers a unique educational experience for potential pupils.
However, without a building or an established track record, it is also a risk for families and so clear, communication will be essential to secure sufficient pupils for the School's opening.
- Governance - the Governing Body will itself need to extend in number and liaise with the Principal on policies and procedures in time for opening in 2015.
- Construction - the construction programme is underway in advance of opening in September 2015.
The scale of the development is significant and there is a risk that, due to unforeseen delays, the buildings and surroundings are not completed in time to enable full opening in 2015.

Governors have oversight of all of the current activity and will continue to monitor and identify where additional mitigation of risks may be necessary.

Governance

The information on governance included here supplements that described in the Statement of Trustees' Responsibilities.

- Scope of Responsibility

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

The board of Governors has delegated the day to day responsibility to a Project Manager and subsequently to the Principal for ensuring financial controls conform with the requirements of both propriety and good financial management. He/she is also responsible for reporting to the board of Governors any material weaknesses in internal control.

- Governance

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

Professor Michael Clarke, Chairman	(8/8)
Professor Kathleen Armour	(3/8)
Professor James Arthur	(6/8)
Dr Christopher Banks	(5/8)
Mr Lee Sanders	(4/8)

During the period of the accounts, there were limited changes in the composition of the Governing Body. Professor Edward Peck left the University for a new position and resigned from the Governing Body. His successor, Professor Saul Becker, was appointed to the Governing Body. The University of Birmingham resigned from the Board of Directors but retained its position as the founding member of the company.

Governors' report (continued)

During 2014-15, the Governing Body will undergo a period of development in preparation for the opening of the School. This will include a review of the skills and competencies required, the open recruitment of new Governors to be appointed by the Members, Governors training to cover all aspects of the School's operating and management policies, and the establishment of the sub-committees.

- 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 or failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. Prior to the School opening the system of internal control is on an on-going process designed to identify and prioritise the risks to the achievement of the School's 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 developed in the period as the operations have begun. This development phase is expected to continue up until the School opens as the necessary framework and procedures will change over that time.

- Capacity to Handle Risk

The board of Governors has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the period 1 March 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 Governors.

- The Risk and Control Framework

The School's system of internal control is appropriate for the number and scale of transactions in the start up phase. In particular it includes:

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governors;
- regular reviews by Governors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- following The University of Birmingham defined purchasing guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Governors have considered the need for a specific internal audit function and decided not to appoint an internal auditor at present given the small number of transactions. This will be reviewed in advance of the School opening.

Auditor

In so far as the Governors are aware:

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

Deloitte LLP have been appointed as auditors of the Company under Section 485 of the Companies Act 2006.

Approved by order of the board of Governors on 30th October 2014 and signed on its behalf by:

Professor Michael Clarke
Chair of Governors

Registered number 7960887

Statement of Trustees' Responsibilities

The Trustees (who act as Governors of The University of Birmingham School and are also Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors 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 Governors on 30th October 2014 and signed on its behalf by:

Signed

Professor Michael Clarke
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF BIRMINGHAM SCHOOL

We have audited the financial statements of The University of Birmingham School for the period ended 31 August 2014 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 14. 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 charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the charitable 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 auditor

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 charitable company'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 annual report to identify material inconsistencies with the audited financial. 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 charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of 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.

David Hall, FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, UK
Date:

Statement of Financial Activities
for the period ended 31st August 2014

	<i>Note</i>	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming resources					
<i>Incoming resources from charitable activities:</i>					
Voluntary income		10	-	10	-
Funding for the School's educational operations	2	175	5,337	5,512	125
Total incoming resources		<u>185</u>	<u>5,337</u>	<u>5,522</u>	<u>125</u>
Resources expended					
<i>Charitable activities:</i>					
School educational operations	4	133	-	133	86
<i>Governance costs</i>	5	21	-	21	4
Total resources expended		<u>154</u>	<u>-</u>	<u>154</u>	<u>90</u>
Net income for the period		<u>31</u>	<u>5,337</u>	<u>5,368</u>	<u>35</u>
Net movement in funds		31	5,337	5,368	35
Reconciliation of funds					
Total funds on 1 August 2013		35	-	35	-
Total funds carried forward at 31 August 2014		<u><u>66</u></u>	<u><u>5,337</u></u>	<u><u>5,403</u></u>	<u><u>35</u></u>

All amounts relate to start up activities.

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

Balance Sheet

as at 31st August 2014

	<i>Note</i>	2014 £'000	2013 £'000
Fixed assets	6	5,337	-
Current assets			
Debtors	7	560	-
Cash at bank and in hand		3,749	67
		<hr/>	<hr/>
		4,309	67
Liabilities			
Creditors : Amounts falling due within one year	8	4,243	32
		<hr/>	<hr/>
Net current assets		5,403	35
		<hr/>	<hr/>
Total assets less current liabilities		5,403	35
		<hr/> <hr/>	<hr/> <hr/>
Funds of the academy trust:			
Restricted income funds			
Fixed asset fund		5,337	-
General fund		66	35
		<hr/>	<hr/>
Total restricted funds		5,403	35
		<hr/>	<hr/>
Total funds	9	5,403	35
		<hr/> <hr/>	<hr/> <hr/>

These financial statements on pages 11 to 15 were approved by the governors, and authorised for issue on 30th October 2014 and are signed on their behalf by::

Signed

Professor Michael Clarke
Chair of Governors

Cash Flow Statement

for the period ended 31st August 2014

	<i>Note</i>	2014 £'000	2013 £'000
Net cash inflow from operating activities	<i>10</i>	3,682	67
Increase in cash in the year	<i>11</i>	<u>3,682</u>	<u>67</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 March 2013		67	-
Net funds at 31 August 2014		<u>3,749</u>	<u>67</u>

Notes*(forming part of the financial statements)***1 Statement of Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

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

Going concern

The governors assess whether the use of the going concern principal 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 School to continue as a going concern. The governors make this assessment in respect of the foreseeable future.

Incoming Resources

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

- Grants Receivable

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

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

- Sponsorship income

Sponsorship income provided to the school which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

- Donations

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

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category.

- Charitable Activities

These are costs incurred on the School's educational and start up operations.

- Governance Costs

These include the costs attributable to the School's compliance with constitutional and statutory requirements, including

All resources expended are inclusive of VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Notes (continued)**Taxation**

The School 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 School 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.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency or other 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 Education Funding Agency.

2 Funding for the Academy Trust's Educational Operations

	Restricted Funds £'000	Restricted Capital Funds £'000	2014 £'000	2013 £'000
Department of Education grants:				
Start Up Grants	175	-	175	125
Capital Fund	-	5,337	5,337	-
	<u>175</u>	<u>5,337</u>	<u>5,512</u>	<u>125</u>

3 Resources Expended

	Non Pay Expenditure		
	Other £'000	2014 £'000	2013 £'000
Academy's educational operations:			
Direct costs	49	49	18
Allocated support costs	84	84	68
	<u>133</u>	<u>133</u>	<u>86</u>
Governance costs including allocated support costs	21	21	4

4 Charitable Activities - Academy's Educational Operations

	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Direct costs			
Teaching & educational support staff costs	46	46	-
Educational consultancy	1	1	18
Staff development	1	1	-
Other direct costs	1	1	-
	<u>49</u>	<u>49</u>	<u>18</u>

The University of Birmingham School
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For the 18 month Period Ended 31st August 2014

Notes (continued)**Allocated support costs**

Recruitment and support	27	27	10
Other support costs	57	57	58
	<u>84</u>	<u>84</u>	<u>68</u>
Total direct and support costs	<u>133</u>	<u>133</u>	<u>86</u>

5 Governance costs

	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Legal and professional fees	10	10	-
Auditor's remuneration:			
Audit of financial statements	6	6	4
Other costs	5	5	-
	<u>21</u>	<u>21</u>	<u>4</u>

6 Tangible Fixed Assets

	Assets in the course of Construction £'000	Total 2014 £'000
Cost		
At 1 March 2013	-	-
Additions	5,337	5,337
At 31 August 2014	<u>5,337</u>	<u>5,337</u>
Accumulated Depreciation		
At 1 March 2013	-	-
Depreciation for Year	-	-
At 31 August 2014	<u>-</u>	<u>-</u>
Net book value		
At 31 August 2014	<u>5,337</u>	<u>5,337</u>
At 28 February 2013	<u>-</u>	<u>-</u>

7 Debtors

	Total 2014 £'000	Total 2013 £'000
VAT Recoverable	150	-
Other Debtors	410	-
	<u>560</u>	<u>-</u>

8 Creditors

	Total 2014 £'000	Total 2013 £'000
Amount owed to parent undertaking	4,058	9
Accruals - VAT	150	-
Accruals and deferred income	35	23
	<u>4,243</u>	<u>32</u>

Notes (continued)**9 Funds**

	Incoming Resources 2014 £'000	Resources Expended 2014 £'000	Balance at 31st August 2014 £'000	Balance at 28th February 2013 £'000
Restricted general funds				
Start Up Grant	185	154	31	35
Fixed asset	5,337	0	5,337	-
Total restricted funds	<u>5,522</u>	<u>154</u>	<u>5,368</u>	<u>35</u>
Total funds on 1 August 2013	125	90	35	-
Total funds	<u><u>5,647</u></u>	<u><u>244</u></u>	<u><u>5,403</u></u>	<u><u>35</u></u>

The funds are to be applied for the start up costs of the School.

10 Analysis of Net Assets between Funds

Fund balances at 31 August 2014 are represented by:

	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2014 Funds £'000	Total 2013 Funds £'000
Fixed assets	-	5,337	5,337	-
Current assets	4,309	-	4,309	67
Current liabilities	(4,243)	-	(4,243)	(32)
Total restricted funds	<u>66</u>	<u>5,337</u>	<u>5,403</u>	<u>35</u>

11 Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	Total 2014 £'000	Total 2013 £'000
Net income	5,368	35
Capital grants	(5,337)	-
Increase in debtors	(560)	-
Increase in creditors	4,211	32
Net Cash Inflow from Operating Activities	<u>3,682</u>	<u>67</u>

12 Analysis of Changes in Net Funds

	At 1 March 2013 £'000	Cash flows £'000	At 31 August 2014 £'000	At 28 February 2013 £'000
Cash in hand and at bank	<u>67</u>	<u>3,682</u>	<u>3,749</u>	<u>67</u>

13 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 or she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities before he or she ceases to be a member.

14 Related Party Transactions

The following related party transactions took place in the period of account:

The University of Birmingham, a member of the company, provided project management services to the Company during the period and received £22,222 including VAT.

Registered number 7960887