
CHAUNCY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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

Governors

Robert Watson, Chair¹
Miles Ambler²
Louise Brace²
Libby Bryne-Grey²
Martin Butcher²
Andrew Caisey²
Darren Franks (resigned 24 September 2014)²
Richard Hallman³
Posy Hill-Williams²
Amanda King²
Linda Lang⁴
Fiona Martin (appointed 27 January 2014)²
Rosalind McFiggans³
Dennis O'Sullivan, Head Teacher²
Michael Wathen⁴
Mark Wilkinson³

- ¹ Governor
² Member Governor
³ Parent Governor
⁴ Staff Governor

Company registered number 07694228

Principal and registered office Park Road
Ware
Hertfordshire
SG12 0DP

Company secretary Susan Browning

Senior management team

Independent auditor Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Bankers Lloyds Bank PLC
3 Town Square
Stevenage
Hertfordshire
SG1 1BG

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Chauncy School (the academy) for the ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The trust operates an academy for pupils aged 11-18 serving a catchment area of Ware and the surrounding villages. It has a pupil capacity at year 7 to admit 160 pupils and had on roll 1023 students in the school census of October 2013.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and was set up by a Memorandum of Association on 5 July 2011.

The Academy opened as a school on 5 July 2011 replacing The Chauncy School which ceased to be maintained by the Local Authority on that date.

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

Chauncy School is an all ability mixed 11-18 Academy with Visual Arts, Maths Computing and Gifted and Talented Specialist Status. The number admitted at age 11 to year 7 is 160. Boys and girls will be admitted at age 16+ provided they meet the entry qualifications for their proposed programme of study.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Governors are identified and chosen by the Board and are proposed to the full Board meeting. Candidates are selected based on eligibility, personal competence and professional skills, which can benefit the School, as well as local availability. The Board comprises Parent Governors, the Headteacher, Staff Governors, Member Governors.

The current composition of Trustees includes:-

Mr Robert Watson (Chair)
Mr Andrew Caisey
Mr Darren Franks (resigned 24 September 2014)
Mr Dennis O'Sullivan (Head Teacher)
Mr Michael Wathen

The articles of association require that there should be at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

The current composition of Governors includes:-

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- 3 Parent governors who are elected by parents of registered pupils at the Academy
- 8 Member governors who are appointed by the Governing Body
- 2 Staff governors who are elected by staff at the Academy
- The Head teacher who is treated for all purposes as being an ex officio Governor

The maximum number of Member governors is 12 and Parent and Staff governors 3. Governors can put themselves forward for re election by nomination at the main governing body meeting.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Governors are appointed based on the skills that they will bring to the governing body or based on a proposal to the governing body by representative groups. On appointment, Governors receive information relating to the Academy and attend a briefing session and receive an induction pack on the role and responsibilities of Governors. These sessions cover educational and business matters and include a familiarisation tour of the School's facilities. Governors are issued with extensive background material together with the statutory guidelines for Governors. Governors are encouraged to attend training sessions organised for the education sector.

During the period, Governors were offered all necessary training.

e. ORGANISATIONAL STRUCTURE

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Governing Body has established a number of sub-committees to review policies and performance of the school in all areas. Reports from each of the sub-committees are received and discussed at every meeting of the full governing body.

All Governors are members of the full governing body. In addition Governors are members of committees who report to the full governing body.

Resources Committee

Mr Andrew Caisey (Resources Chair)
Mr Robert Watson
Mr Darren Franks
Mrs Amanda King
Mr Mark Wilkinson
Mrs Linda Lang
Mr Michael Wathen
Mr Dennis O'Sullivan (Head Teacher)

Review & Development Committee

Mr Richard Hallman (R&D Chair)
Mr Miles Ambler
Mrs Louise Brace
Mr Martin Butcher
Mrs Libby Byne-Grey
Mrs Posy Hill-Williams
Mrs Fiona Martin (appointed 7th January 2014)
Mrs Rosalind McFiggans

The terms of reference for each of these sub-committees have been written and accepted by the Governing

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

Body. The full governing body meets formally six times during the year.

The Headteacher is appointed by the Governing Body to manage the day-to-day operations of the School. In order to facilitate effective operations, the Headteacher has delegated authority with the terms approved by the Governors for operational matters within the School's Senior Leadership Team.

Deputy Head	Mr Stephen Walton
Deputy Head	Mrs Diane Carey
Assistant Head	Mrs Katherine Lovell (Leaving date 21st April 2014)
Assistant Head	Mr Craig Burnet
Business Manager	Mrs Wendy Bremner

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Formerly known as the Hertford and Ware Consortium, the Federation consists of five local schools, Chauncy, Presdales, Richard Hale, Sele, and Simon Balle. Its purpose is to widen the choice of courses open to 16 – 19 students who are in full time attendance at any of the member institutions. Students remain on roll in their home institutions but are expected to conform to the expectations of their host institutions in dress, conduct and study habits. A Federation-wide assessment takes place at the end of the first half term and, both then and subsequently, parents will receive reports in the style of the host institution.

g. RISK MANAGEMENT

The Governors have assessed the major risks to which the School is exposed, in particular those relating to teaching, the provision of facilities and other operational areas of the School and its finances. The Governors have implemented a number of systems to assess risks that the School faces, especially in the operational areas. Examples included are in relation to teaching, health and safety, bullying, school trips and visits and in relation to the control of finance.

The main risks and impacts have been assessed as:

If the Education Funding Agency (EFA) funding is not communicated in a timely fashion and/or is significantly lower than planned for then this could have adverse financial implications for the School which would need to be addressed.

The school is currently unable to establish how the implementation of a national funding formula will impact the schools funding and if it will be significantly different to the current local authority methodology for Hertfordshire Academies.

Significant changes in pupil numbers including sixth form may have an adverse impact on the funding for the school.

The School has introduced systems, including operational procedures (e.g. vetting of new staff and visitors, and supervision of School grounds) and internal financial controls in order to minimise risk.

The Governors have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

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FOR THE YEAR ENDED 31 AUGUST 2014

A formal review of the Academy's risk management process is undertaken on an annual basis and key controls in place include:-

Formal agenda for all committee activity

Terms of reference for all governing body and delegated committees under the direction of the governing body

Pecuniary interests of governors reviewed at each meeting

Comprehensive budgeting and management reporting

Strategic financial planning & planned maintenance and capital reviews

Established organisational structure and clear lines of reporting

Formal written policies

Clear authorisation and approval levels

Vetting procedures as required by law for the protection of the vulnerable

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Objectives and Activities

a. OBJECTS AND AIMS

The School's objective is to advance for the public benefit education for children aged 11-18 in the UK, in particular by establishing, maintaining, managing and developing the Academy, to offer a broad curriculum.

The Governors vision is committed to promoting student achievement. Our aims are to provide inspirational teaching and learning;

- To welcome students of all abilities, enabling each one to enjoy learning and achieve their very best.
- To be a learning centre within our community.
- To enable young people to become confident individuals who live safe healthy and fulfilling lives.
- To develop our young people as responsible citizens who make a positive contribution to society.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The School's objectives for the period ending 31 August 2014 are summarised below:-

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all pupils in particular improving school examination results.
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under review
- To provide value for money of the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct the academy's business in accordance with the highest standards of integrity and openness
- Improve the quality of teaching
- Improve the quality of written communication across the curriculum
- Develop 'Chauncy Achieving Well' strategy to maintain high levels of attendance and behavior
- Develop the process of self-evaluation in line with DfE expectations
- Increase the student population at KS5 and plan for future intake of 165
- Continue to ensure the future financial stability of the school in the light of new funding arrangements
- Develop further links with local primary schools to promote financial stability across local schools and improve student achievement
- To promote achievement through the further enhancement of school facilities
- Staff development promote high professional standards and leadership capacity among staff, leading to

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FOR THE YEAR ENDED 31 AUGUST 2014

- sustained improvement
- Improve learning opportunities for Gifted and Talented students
- Students stay safe
- Ensure that statutory requirements for RE, PSHE, Citizenship and SMSC are met, including focus on healthy eating
- Ensure that statutory requirement for equal opportunities are met
- Students develop skills that will contribute to their future economic well being
- Students make a positive contribution to the school and the wider community
- The school promotes community cohesion
- To improve links between the school, parents and the local community through the development of the school website, Learning Environment and Virtual Learning Platform
- To review Primary School Enrichment Activities as part of our commitment to the Ware and Villages Extended Schools Consortium.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

To ensure that standards are continually raised the academy operates a programme of observation of lessons; is visited by inspectors and undertakes a comparison of results from entry to key stage 3 GCSE and from GCSE to A level to assess the added value.

The academy also participates in national programmes looking at added value through the stages

Use of data to set targets and monitor progress at all key stages, ensuring that all students achieve beyond their potential, regardless of ability or background.

Staff remains focused on sharing good practice and improving teaching, particularly at KS3, and ensuring that students are safe and supported.

Areas of underperformance are pinpointed, students at risk of under-achieving are identified and intervention strategies put into place to raise achievement.

Self-evaluation identifies strengths and areas for development, and informs planning.

Governor self-evaluation ensures that Governing body are in the best position to support and challenge.

d. PUBLIC BENEFIT

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

The Academy Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

a. 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

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

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 Accounting Policies.

b. KEY FINANCIAL PERFORMANCE INDICATORS

The school was inspected by Ofsted on the 23-24 January 2013. This inspection was rated as Good (2)

Achievement of pupils	Good	2
Quality of teaching	Good	2
Behaviour and safety of pupils	Outstanding	1
Leadership and Management	Good	2

This is a good school.

- Chauncy is an inspiring and exciting place to be.
- Pupils at Key Stage 3 and 4 make good progress.
- Pupils work hard in their lessons. Teachers have a good knowledge of their subject.
- Pupils are serious learners, who are determined to succeed.
- Pupils' behaviour is extremely respectful and considerate.
- Staff and pupils get on very well with each other. Every pupil is known as an individual.
- Parents are overwhelmingly supportive of the school.
- The sixth form is good. It provides a wide range of courses and opportunities for pupils.
- Leaders and managers set high targets for both pupils and staff, which have improved teaching and progress.
- Managers will not accept any teaching which is less than good.
- Staff are committed to doing the best they can for the pupils.
- The range of subjects on offer for pupils is excellent.
- The school is well respected by the local community. It is popular and over-subscribed.

c. REVIEW OF ACTIVITIES

Summary of Achievement 2014

Key Stage 4

Points and Percentages (National 2014)

% 5 A* - C 78% (65.3%) Girls 76%, Boys 65%

% 5 A* - G 97%

% 1 A* - G 99%

Average TPS 430 (366) Average TPS (Top 8) 333 (310.3)

Average APS 41.3 Average APS (Top 8) 41.6

Including English and Maths

% 5 A* - C +EM 71%* (56.1%) 2010 – 64%, 2011 – 60%, 2012 – 55%, 2013 – 70%

2+ GCSEs A* - C in Science

% 2+ A* - C 89%

Value Added

Value added analyses are unreliable this year, due to new rules on discounting and the value of vocational qualifications, as there is no similar data from previous years with which to make overall comparisons.

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Progress by Year

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
% 5+ A* - C	67	71	79	82	87	90	84	91	90	78*
+EM	47	48	61	54	54	64	60	55	70	71*

*Vocational qualifications count as 1, only 2 of which are eligible for inclusion. However, GCSE discounting and first entry rules have not been applied. If GCSEs are discounted, the figure becomes 69%.

Applying the same rules as in previous years, the headline measure of 5+ A* - C EM would have been 74%, with 87% achieving 5+ A* - C. This is, of course, what our students actually achieved.

When all of the discounting, eligibility and first entry rules are applied the headline measures become 62% 5+ A* - C EM and 73% 5+ A* - C, still well above the national average.

3 Levels of Progress (Expected)

	Chauncy 2014	Chauncy 2013	Chauncy 2012	National 2014
English	89%	77%	61%	71%
Maths	77%	79%	64%	67%

4 Levels of Progress (Better than Expected)

	Chauncy 2014	Chauncy 2013	Chauncy 2012	National 2014
English	38%	28%	22%	32%
Maths	29%	41%	39%	29%

Comparisons for overall measures are unreliable due to the new discounting rules. However they remain relevant for individual subjects analyses.

Measure	FFTA CHAUNCY	FFTD CHAUNCY
5+ A* - C	59%	64% 71%
English 3 Levels progress	70%	75% 89%
English 4 Levels progress	33%	36% 38%
Maths 3 Levels progress	64%	70% 77%
Maths 4 Levels progress	27% 29%	31%

Comments

- Students completing KS4 in 2013 joined the school with an average KS2 points score of 27.8 and an average CAT score of 99.2, representing an intake profile that is broadly in line with the national average.
- 71% of students left the school 5+ A* - C grades including English and Maths, exceeding our FFTD estimate of 64% This is a record for the school and well beyond the national average of 60% in 2013. Contributing factors to success were:
 - PIXL approach of fine grading, targeted intervention, diagnostic therapy testing, intensive exam preparation
 - Strategic early and double entry
 - Calm and purposeful ethos throughout year, with students embracing the strategies offered to help them to achieve
- 78% of students achieved 5+ A* - C grades at GCSE. The apparent drop from 2013 is due to the down grading of vocational qualifications, which now count for 1 grade regardless of the weighting. In spite of this, the measure remains well above the national average of 65.3%.
- The average point score was 333, capped at the top 8. Again the new rules regarding vocational qualifications has brought about a drop in this measure but it remains well above national.

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- An astounding 84% of students achieved A* - C in English with a solid 78% of students achieving A* - C in Maths. Both of these measures are significantly higher than the national average, despite our average intake.
- 14 students achieved a C+ in English but not Maths. All but 3 students achieved a C in Maths but not English.
- 8 students achieved A* - C grades in English and Maths but did not achieve 5+ A* - C grades.
- 89% of the 103 students entered for 2+ GCSE Science in 2014 achieved 2+ A* - C grades, well above the national average.
- 33% of students were entered for the EBacc, and 24% of the whole cohort achieved it. This represents a drop from 2013 and is due to weaker performances in MFL and History. We will be working to make significant improvements in these areas over the coming year.
- 18 students failed to achieve 8 GCSEs at A* - G. Whilst the new rules regarding vocational qualifications had an impact, this was primarily due to students' external personal circumstances. With the move to 'Progress 8' as the new 'floor standard' in 2016, we must continue to find ways of maintaining student motivation within the constraints of an ever narrowing curriculum.

Key Stage 5

A Level

			SCAAT
% A* - E	100%	Average Entry	212 (212.8)
% A* - B	41%	Average TPS	807 (777)
% A* - C	79%		

Vocational

			SCAAT
% pass	100%	Average Entry	223 (229)
% D/D*	65%	Average TPS	779 (688.7)

- Progress at KS5 can be evaluated by comparing with that made by similar students nationally through the Level3 Value Added Report. Since the size of some cohorts is relatively small, care must be taken when trying to draw general conclusions.
- Students completing KS5 in 2014 had an average GCSE APS score of 44.1. This equates to an average GCSE grade of between C and B, and represents our inclusive approach to the 6th form at Chauncy.
- Overall results at A Level in 2014 were similar to last year's good results, in spite of a slightly lower baseline. The L3 VA Report indicates that academic students at Chauncy made better progress than similar students nationally, with high levels of confidence. These students also achieved very well in their AS results, again with high levels of confidence.
- BTEC results were lower than in 2013 but remain high and progress compares favourably to that made by similar students nationally. High achievement by middle ability students at KS4 means that many of them subsequently aspire to further study in the 6th form. We face a great challenge in enabling these students to succeed at KS5, particularly in the more traditional academic A Level subjects. On the other hand, our success at KS4 with white, working class boys and the development of Level 3 vocational learning routes has resulted in the recruitment, retention and achievement of this particularly susceptible cohort at post 16. This is especially relevant given the selective practices of neighbouring schools.

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

Financial review

a. FINANCIAL REVIEW

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Please note that the period shown is for 12 months.

The Academy also receives grants for capital expenditure from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2014, total expenditure of £5,878,114 was more than covered by recurrent grant funding from the EFA together with other incoming resources, the excess of income over expenditure for the period (excluding restricted fixed asset funds) was £156,433.

At 31 August 2014 the net book value of fixed assets was £11,023,504 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy has developed risk management procedures. The Governors have assessed the major risks to which the Academy is exposed and a formal review of the Academy's risk management process is undertaken on an annual basis.

The Governors have assessed the major risks to which the School is exposed, in particular those relating to teaching, the provision of facilities and other operational areas of the School and its finances. The Governors have implemented a number of systems to assess risks that the School faces, especially in the operational areas. Examples included are in relation to teaching, health and safety, bullying, school trips and visits and in relation to the control of finance.

The main risks and impacts have been assessed as:

Principal risks include changes to the funding formula paid to the academy by the Education Funding Agency (EFA) or as part of a national funding formula change could have adverse financial implications for the school which would need to be addressed

If the number of pupils decreased this would have a direct effect on funding. If the Education Funding Agency (EFA) funding is not communicated in a timely fashion and/or is significantly lower than planned for then this could have adverse financial implications for the School which would need to be addressed.

The school is currently unable to establish how the implementation of a national funding formula will impact the schools funding and if it will be significantly different to the current local authority methodology for Hertfordshire Academies.

Significant changes in pupil numbers including sixth form may have an adverse impact on the funding for the school.

The School has introduced systems including operational procedures (e.g. vetting of new staff and visitors, and

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supervision of School grounds) and internal financial controls in order to minimise risk.

The Governors have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the Academy's risk management process is undertaken on an annual basis and key controls in place include:-

Formal agenda for all committee activity

Terms of reference for all governing body and delegated committees under the direction of the governing body

Pecuniary interests of governors reviewed at each meeting

Comprehensive budgeting and management reporting

Strategic financial planning & planned maintenance and capital reviews Established organisational structure and clear lines of reporting Formal written policies

Clear authorisation and approval levels

Vetting procedures as required by law for the protection of the vulnerable

It is recognized that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

c. RESERVES POLICY

The level of reserves held at 31 August 2014 total £11,139,763. The reserves will be allocated and spent as part of the School Development Plan, to update, improve and maintain its facilities and resources. A capital spending plan has been completed detailing the short, medium and long term needs and plans of the School for which the reserves will be allocated and determined in order of priority to meet the needs of the School. The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

d. MATERIAL INVESTMENTS POLICY

The school invests surplus funds in a higher interest account. The school will also consider in the future placing money on a fixed term basis to earn a high rate of return to the interest paid on the deposit account. The decision to invest will have due regard to the liquidity requirements of the academy and will be agreed by the head and resources Committee and will only be placed with our current bank provider.

Plans for future periods

a. FUTURE DEVELOPMENTS

The school is continuing with its Capital Plan to improve and upgrade facilities at the school for students and staff. The school will be completing a refurbishment of a classroom to create a new Science laboratory in the next academic year.

The school has been given permission by the Government to sell a piece of Land to provide funding for a Sports Hall facility for the students. Early feasibility and ground studies have been undertaken and discussions are ongoing regarding the purchase of the Land no formal contracts have been signed at this stage.

We will continue to develop the curriculum in response to student needs and the numerous government initiatives.

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TRUSTEES' REPORT (continued)
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DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 12/12/14 and signed on the board's behalf by:



.....
Robert Watson, Chair
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 Chauncy School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 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
Robert Watson, Chair	5	6
Miles Ambler	5	6
Louise Brace	5	6
Libby Bryne-Grey	4	6
Martin Butcher	4	6
Andrew Caisey	6	6
Darren Franks	2	6
Richard Hallman	6	6
Posy Hill-Williams	4	6
Amanda King	5	6
Linda Lang	5	6
Fiona Martin	4	4
Rosalind McFiggans	4	6
Dennis O'Sullivan, Head Teacher	6	6
Michael Wathen	5	6
Mark Wilkinson	5	6

Mrs Fiona Martin was appointed to the full governing body on the 27th January 2014.

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to review the financial situation and factor in the site and premises requirements in the year including health and safety.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Andrew Caisey	6	6
Robert Watson	6	6
Darren Franks	2	6
Amanda King	5	6
Mark Wilkinson	4	6
Linda Lang	5	6
Michael Wathen	4	6
Dennis O'Sullivan, Head Teacher	6	6

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GOVERNANCE STATEMENT (continued)

The Review and Development Committee is also a sub-committee of the main board of trustees. Its purpose is to review the school development plan and school policies.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Richard Hallman	6	6
Miles Ambler	5	6
Louise Brace	4	6
Libby Bryne-Grey	3	6
Posy Hill-Williams	4	6
Fiona Martin	3	3
Rosalind McFiggans	5	6
Martin Butcher	3	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 Chauncy School for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy 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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Sam Allen, the Business Manager of Freman

CHAUNCY SCHOOL
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GOVERNANCE STATEMENT (continued)

College to perform peer review.

The reviewer'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 reviewer 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.

There were three audits carried out by the RO in the financial year and a report provided to the Finance Committee. The RO recommendations were implemented following their review. The next RO audit is planned for Autumn 2014. There were no material control issues arising as a result of the RO's work.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 peer reviewer;
- the work of the external auditor;
- 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 Resources Committee and Review and Development Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on _____ and signed on its behalf, by:



.....
Robert Watson, Chair



.....
Dennis O'Sullivan, Head Teacher
Accounting Officer

Date: 12 Dec 14

CHAUNCY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Chauncy School 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 (2013).

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 (2013).

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.



.....
Dennis O'Sullivan, Head Teacher
Accounting Officer

Date: 12/12/2014

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- 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 on 12/12/14 and signed on its behalf by:



.....
Robert Watson, Chair
Chair of Trustees

CHAUNCY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF CHAUNCY SCHOOL

We have audited the financial statements of Chauncy School 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy 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 AUDITOR

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.

CHAUNCY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF CHAUNCY SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or 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.



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: *16th December 2014*

CHAUNCY SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHAUNCY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 June 2013 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 Chauncy School 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 Chauncy School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chauncy School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chauncy School and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Chauncy School's funding agreement with the Secretary of State for Education dated 1 August 2011, 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.

CHAUNCY SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHAUNCY
SCHOOL 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.

Hillier Hopkins LLP

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: *16th December 2014*

CHAUNCY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2013</i> <i>£</i>
Note					
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	75	-	20,004	20,079
Investment income	3	9,131	-	9,131	7,356
Incoming resources from charitable activities	4	196,606	5,805,095	563,223	6,564,924
		<u>205,812</u>	<u>5,805,095</u>	<u>583,227</u>	<u>6,594,134</u>
TOTAL INCOMING RESOURCES					
RESOURCES EXPENDED					
Charitable activities		253,974	5,242,065	367,406	5,863,445
Governance costs	6	-	14,669	-	14,669
		<u>253,974</u>	<u>5,256,734</u>	<u>367,406</u>	<u>5,878,114</u>
TOTAL RESOURCES EXPENDED					
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(48,162)	548,361	215,821	716,020
				716,020	1,849,347

CHAUNCY SCHOOL
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STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2013</i> £
Transfers between Funds	20	-	(343,766)	343,766	-	-
NET INCOME FOR THE YEAR		(48,162)	204,595	559,587	716,020	1,849,347
Actuarial gains and losses on defined benefit pension schemes		-	(121,000)	-	(121,000)	31,000
NET MOVEMENT IN FUNDS FOR THE YEAR		(48,162)	83,595	559,587	595,020	1,880,347
<i>Total funds at 1 September 2013</i>		642,699	(561,873)	10,463,917	10,544,743	7,274,389
Prior year adjustment (Note 19)		-	-	-	-	1,390,007
TOTAL FUNDS AT 31 AUGUST 2014		594,537	(478,278)	11,023,504	11,139,763	10,544,743

All activities relate to continuing operations.

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

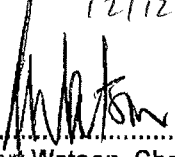
The notes on pages 26 to 44 form part of these financial statements.

CHAUNCY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07694228

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	16		11,023,504		10,463,917
CURRENT ASSETS					
Debtors	17	199,524		177,009	
Cash at bank and in hand		1,136,451		1,218,719	
		<u>1,335,975</u>		<u>1,395,728</u>	
CREDITORS: amounts falling due within one year	18	(418,716)		(652,902)	
NET CURRENT ASSETS			917,259		742,826
TOTAL ASSETS LESS CURRENT LIABILITIES			11,940,763		11,206,743
Defined benefit pension scheme liability	26		(801,000)		(662,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			11,139,763		10,544,743
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	322,722		100,127	
Restricted fixed asset funds	20	11,023,504		10,463,917	
Restricted funds excluding pension liability		<u>11,346,226</u>		<u>10,564,044</u>	
Pension reserve		(801,000)		(662,000)	
Total restricted funds			10,545,226		9,902,044
Unrestricted funds	20		594,537		642,699
TOTAL FUNDS			11,139,763		10,544,743

The financial statements were approved by the Trustees, and authorised for issue, on 12/12/2014 and are signed on their behalf, by:


.....
Robert Watson, Chair
Chair of Trustees

The notes on pages 26 to 44 form part of these financial statements.

CHAUNCY SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	22	293,094	1,977,450
Returns on investments and servicing of finance	23	9,131	7,356
Capital expenditure and financial investment	23	(384,493)	(415,160)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(82,268)	1,569,646

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	(82,268)	1,569,646
MOVEMENT IN NET FUNDS IN THE YEAR	(82,268)	1,569,646
Net funds/(debt) at 1 September 2013	1,218,719	(350,927)
NET FUNDS AT 31 AUGUST 2014	1,136,451	1,218,719

The notes on pages 26 to 44 form part of these financial statements.

CHAUNCY SCHOOL
(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.

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. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

CHAUNCY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

Charitable activities are costs incurred in the academy'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.

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.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are 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.

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:

Freehold property	-	50 years
Motor vehicles	-	4 years
Fixtures and fittings	-	5 years
Computer equipment	-	3 years

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

CHAUNCY SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), 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 26, 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 the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds (as restated) 2013 £</i>
Donations	75	20,004	20,079	2,928
Transfer from Local Authority on conversion	-	-	-	1,390,007
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	<u>75</u>	<u>20,004</u>	<u>20,079</u>	<u>1,392,935</u>

CHAUNCY SCHOOL
(A company limited by guarantee)

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

3. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Interest receivable	9,131	-	9,131	7,356

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Educational activities	-	6,011,748	6,011,748	5,721,166
Rent of facilities	15,687	-	15,687	14,660
Other income	180,919	356,570	537,489	512,874
	<u>196,606</u>	<u>6,368,318</u>	<u>6,564,924</u>	<u>6,248,700</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	5,230,010	5,230,010	5,244,179
EFA capital grants	-	20,723	20,723	-
Pupil Premium	-	179,002	179,002	159,988
	<u>-</u>	<u>5,429,735</u>	<u>5,429,735</u>	<u>5,404,167</u>
Other government grants				
Other capital grants	-	542,500	542,500	232,500
Other government grants	-	39,513	39,513	84,499
	<u>-</u>	<u>582,013</u>	<u>582,013</u>	<u>316,999</u>
	<u>-</u>	<u>6,011,748</u>	<u>6,011,748</u>	<u>5,721,166</u>

CHAUNCY SCHOOL
(A company limited by guarantee)

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

5. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Educational activities	253,974	5,609,471	5,863,445	5,768,492

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	<i>Total 2013 £</i>
Educational activities	4,141,304	263,726	1,458,415	5,863,445	5,768,492

6. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Previous auditors fees	-	-	-	6,592
Governance Auditors' remuneration	-	9,000	9,000	9,000
Governance Auditors' non audit costs	-	1,400	1,400	-
Legal and professional fees	-	3,153	3,153	14,586
Governor training	-	1,116	1,116	974
	-	14,669	14,669	31,152

CHAUNCY SCHOOL
(A company limited by guarantee)

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

7. DIRECT COSTS

	Educational activities £	Total 2014 £	Total 2013 £
Teaching and educational supplies	220,692	220,692	201,065
Examination fees	110,021	110,021	88,787
Staff development	25,891	25,891	23,802
Educational consultancy	360	360	350
Other direct costs	35,103	35,103	31,387
Premises maintenance costs	92,599	92,599	96,766
Technology costs	94,089	94,089	89,549
Printing, postage and stationery	41,980	41,980	31,802
Wages and salaries	2,980,734	2,980,734	3,003,039
National insurance	215,067	215,067	235,646
Pension cost	422,778	422,778	422,532
	<u>4,239,314</u>	<u>4,239,314</u>	<u>4,224,725</u>

8. SUPPORT COSTS

	Educational activities £	Total 2014 £	Total 2013 £
FRS17 pension expense	17,000	17,000	22,000
Trip expenditure	113,337	113,337	147,034
Loss on disposal of fixed assets	103,680	103,680	97,920
Recruitment	674	674	4,206
Premises maintenance costs	196,990	196,990	102,114
Rent and rates	41,157	41,157	55,600
Catering costs	183,756	183,756	170,623
Technology costs	7,761	7,761	13,092
Insurance costs	61,475	61,475	72,592
Heat and light costs	53,534	53,534	60,448
Printing, postage and stationery	18,745	18,745	23,012
Cleaning and caretaking costs	22,267	22,267	22,824
Professional fees	7,805	7,805	2,880
Other support costs	9,499	9,499	10,403
Wages and salaries	421,738	421,738	430,970
National insurance	25,264	25,264	19,955
Pension cost	75,723	75,723	60,317
Depreciation	263,726	263,726	227,777
	<u>1,624,131</u>	<u>1,624,131</u>	<u>1,543,767</u>

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

9. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2014	2014	2014	2014	2013
	£	£	£	£	£
Educational activities	3,618,579	-	620,735	4,239,314	4,224,724
Support costs - Educational activities	522,724	679,697	421,710	1,624,131	1,543,767
Charitable activities	4,141,303	679,697	1,042,445	5,863,445	5,768,491
Governance	-	-	14,669	14,669	31,152
	4,141,303	679,697	1,057,114	5,878,114	5,799,643

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Educational activities	4,239,314	1,624,131	5,863,445	5,768,491

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	263,726	227,777
Auditor's remuneration	9,000	9,000
Auditor's remuneration - non-audit	1,400	-
Previous auditors fees	-	6,592
Loss on disposal of fixed assets	103,680	97,920

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12. STAFF

a. Staff costs

Staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	3,375,453	3,415,918
Social security costs	240,331	255,601
Other pension costs (Note 26)	498,500	482,849
	4,114,284	4,154,368
Supply teacher costs	27,019	18,092
	4,141,303	4,172,460

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
	No.	No.
Teachers	85	85
Administration and support	13	11
Management	5	6
	103	102
	103	102

c. Higher paid staff

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

	2014	2013
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £100,001 - £110,000	1	1
	3	3
	3	3

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £33,451 (2013: £32,693).

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13. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2013 - 3) in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 1 Trustee (2013 - 1) in respect of defined benefit pension schemes.

The highest paid Trustee received remuneration of £102,076 (2013 - £101,065).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Trustee amounted to £14,393 (2013 - £14,250).

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal 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 fell within the following bands:

	2014 £	2013 £
Dennis O'Sullivan (Headteacher)	100,000-105,000	100,000-105,000
Michael Wathen	30,000-35,000	25,000-30,000
Linda Lang	40,000-45,000	40,000-45,000
Rosalind McFiggans	30,000-35,000	25,000-30,000

During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

14. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £250 (2013 - £84). The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

	2014 £	2013 £
Expected return on pension scheme assets	57,000	34,000
Interest on pension scheme liabilities	(74,000)	(56,000)
	<u>(17,000)</u>	<u>(22,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost				
At 1 September 2013	10,423,127	20,318	70,044	84,081
Additions	61,233	-	48,854	18,742
Disposals	(108,000)	-	-	-
Transfer between classes	1,043,279	-	-	-
At 31 August 2014	<u>11,419,639</u>	<u>20,318</u>	<u>118,898</u>	<u>102,823</u>
Depreciation				
At 1 September 2013	341,692	7,619	14,101	30,351
Charge for the year	200,593	5,079	23,781	34,273
On disposals	(4,320)	-	-	-
At 31 August 2014	<u>537,965</u>	<u>12,698</u>	<u>37,882</u>	<u>64,624</u>
Net book value				
At 31 August 2014	<u>10,881,674</u>	<u>7,620</u>	<u>81,016</u>	<u>38,199</u>
At 31 August 2013	<u>10,081,435</u>	<u>12,699</u>	<u>55,943</u>	<u>53,730</u>
			Assets under construction £	Total £
Cost				
At 1 September 2013			260,110	10,857,680
Additions			798,164	926,993
Disposals			-	(108,000)
Transfer between classes			(1,043,279)	-
At 31 August 2014			<u>14,995</u>	<u>11,676,673</u>
Depreciation				
At 1 September 2013			-	393,763
Charge for the year			-	263,726
On disposals			-	(4,320)
At 31 August 2014			<u>-</u>	<u>653,169</u>
Net book value				
At 31 August 2014			<u>14,995</u>	<u>11,023,504</u>
At 31 August 2013			<u>260,110</u>	<u>10,463,917</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. DEBTORS

	2014	2013
	£	£
Trade debtors	9,525	11,921
Other debtors	35,363	101,489
Prepayments and accrued income	154,636	63,599
	<u>199,524</u>	<u>177,009</u>

18. CREDITORS:
Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	7,579	247,998
Other taxation and social security	72,386	75,715
Other creditors	69,313	62,360
Accruals and deferred income	269,438	266,829
	<u>418,716</u>	<u>652,902</u>

19. PRIOR YEAR ADJUSTMENT

When the Academy converted, the land transferred was deemed to have no commercial value due to the restrictive covenant placed on the asset. During the year, negotiations have taken place concerning a small parcel of land and this is subject to exchange of contracts which had not taken place at year end however may occur before the end of the calendar year. The land is not sold yet and still subject to contract. Due to this likely transaction, the original valuation of all of the land belonging to the Academy of £1,390,007 has now been included in fixed assets.

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

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	642,699	205,812	(253,974)	-	-	594,537
Restricted funds						
General Annual Grant (GAG)	93,060	5,788,110	(5,235,020)	(343,766)	-	302,384
Bursary Fund	7,067	16,985	(3,714)	-	-	20,338
Pension reserve	(662,000)	-	(18,000)	-	(121,000)	(801,000)
	<u>(561,873)</u>	<u>5,805,095</u>	<u>(5,256,734)</u>	<u>(343,766)</u>	<u>(121,000)</u>	<u>(478,278)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	10,463,917	583,227	(367,406)	343,766	-	11,023,504
Total restricted funds	<u>9,902,044</u>	<u>6,388,322</u>	<u>(5,624,140)</u>	<u>-</u>	<u>(121,000)</u>	<u>10,545,226</u>
Total of funds	<u><u>10,544,743</u></u>	<u><u>6,594,134</u></u>	<u><u>(5,878,114)</u></u>	<u><u>-</u></u>	<u><u>(121,000)</u></u>	<u><u>11,139,763</u></u>

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

The General Annual Grant fund relates to the Academy's operational activities.

The Fixed Asset fund includes funding received from the EFA and the Academy's own funds which have been used to carry out works of a capital nature.

The Pension reserve relates to the Academy's share of the deficit of the Hertfordshire County Local Government Pension Scheme.

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.

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	642,699	205,812	(253,974)	-	-	594,537
Restricted funds	(561,873)	5,805,095	(5,256,734)	(343,766)	(121,000)	(478,278)
Restricted fixed asset funds	10,463,917	583,227	(367,406)	343,766	-	11,023,504
	<u>10,544,743</u>	<u>6,594,134</u>	<u>(5,878,114)</u>	<u>-</u>	<u>(121,000)</u>	<u>11,139,763</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	11,023,504	11,023,504	10,463,917
Current assets	594,537	741,438	-	1,335,975	1,395,728
Creditors due within one year	-	(418,716)	-	(418,716)	(652,902)
Provisions for liabilities and charges	-	(801,000)	-	(801,000)	(662,000)
	<u>594,537</u>	<u>(478,278)</u>	<u>11,023,504</u>	<u>11,139,763</u>	<u>10,544,743</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	716,020	1,849,347
Returns on investments and servicing of finance	(9,131)	(7,356)
Depreciation of tangible fixed assets	263,726	227,777
Capital grants from DfE	(542,500)	(232,500)
Increase in debtors	(22,515)	(75,217)
(Decrease)/increase in creditors	(234,186)	102,479
Deficit on disposal of tangible fixed assets	103,680	97,920
FRS 17 adjustments	18,000	15,000
Net cash inflow from operations	<u>293,094</u>	<u>1,977,450</u>

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

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	9,131	7,356
	<u>9,131</u>	<u>7,356</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(926,993)	(647,660)
Capital grants from DfE	542,500	232,500
	<u>(384,493)</u>	<u>(415,160)</u>
Net cash outflow capital expenditure	(384,493)	(415,160)

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	1,218,719	(82,268)	-	1,136,451
Net funds	1,218,719	(82,268)	-	1,136,451

25. CAPITAL COMMITMENTS

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

	2014 £	2013 £
Contracted for but not provided in these financial statements	-	692,222
	<u>-</u>	<u>692,222</u>

26. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teachers' 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 Hertfordshire 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 2010.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

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.

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

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26. PENSION COMMITMENTS (continued)

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 £183,000, of which employer's contributions totalled £147,000 and employees' contributions totalled £36,000. The agreed contribution rates for future years are 26.1% for employers and 5.5% to 12.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	2014	2013
	£	£
Present value of funded obligations	(2,068,000)	<i>(1,531,000)</i>
Fair value of scheme assets	1,267,000	<i>869,000</i>
Net liability	<u>(801,000)</u>	<i><u>(662,000)</u></i>

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26. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Current service cost	(148,000)	(133,000)
Interest on obligation	(74,000)	(56,000)
Expected return on scheme assets	57,000	34,000
Past service cost	-	(6,110)
	<u>(165,000)</u>	<u>(161,110)</u>
Total	<u>(165,000)</u>	<u>(161,110)</u>
Actual return on scheme assets	<u>118,000</u>	<u>96,000</u>

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

	2014 £	2013 £
Opening defined benefit obligation	1,531,000	1,276,000
Current service cost	148,000	133,000
Interest cost	74,000	56,000
Contributions by scheme participants	36,000	35,000
Actuarial Losses	293,000	31,000
Benefits paid	(14,000)	-
	<u>2,068,000</u>	<u>1,531,000</u>
Closing defined benefit obligation	<u>2,068,000</u>	<u>1,531,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	869,000	598,000
Expected return on assets	57,000	34,000
Actuarial gains and (losses)	172,000	62,000
Contributions by employer	147,000	140,000
Contributions by employees	36,000	35,000
Benefits paid	(14,000)	-
	<u>1,267,000</u>	<u>869,000</u>
	<u>1,267,000</u>	<u>869,000</u>

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

	2014	2013
Equities	67.00 %	74.00 %
Bonds	23.00 %	18.00 %
Property	7.00 %	5.00 %
Cash	3.00 %	3.00 %

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26. PENSION COMMITMENTS (continued)

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

	2014	<i>2013</i>
Discount rate for scheme liabilities	3.70 %	<i>4.60 %</i>
Expected return on scheme assets at 31 August	5.40 %	<i>5.90 %</i>
Rate of increase in salaries	3.90 %	<i>5.10 %</i>
Rate of increase for pensions in payment / inflation	2.60 %	<i>2.80 %</i>

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

	2014	<i>2013</i>
Retiring today		
Males	22.3	<i>21.0</i>
Females	24.5	<i>23.8</i>
Retiring in 20 years		
Males	24.3	<i>22.9</i>
Females	26.7	<i>25.7</i>

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014	<i>2013</i>
	£	<i>£</i>
Defined benefit obligation	(2,068,000)	<i>(1,531,000)</i>
Scheme assets	1,267,000	<i>869,000</i>
Deficit	(801,000)	<i>(662,000)</i>
Experience adjustments on scheme liabilities	(293,000)	<i>(31,000)</i>
Experience adjustments on scheme assets	172,000	<i>62,000</i>

27. OPERATING LEASE COMMITMENTS

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

	Land and buildings		2014	Other
	2014	<i>2013</i>		
	£	<i>£</i>	£	<i>£</i>
Expiry date:				
Within 1 year	-	-	834	<i>4,918</i>
Between 2 and 5 years	-	-	6,411	<i>3,138</i>

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

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy'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's financial regulations and normal procurement procedures.

29. CONTROLLING PARTY

In the opinion of the governors there is no ultimate controlling party.