
CHAUNCY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Governors	Robert Watson, Chair ¹ Miles Ambler ² Louise Brace ² Libby Bryne-Grey ² Martin Butcher (appointed 27 March 2013) ² Andrew Caisey ² Darren Franks ² Richard Hallman ³ Posy Hill-Williams ² Amanda King (appointed 27 March 2013) ² Linda Lang ⁴ Rosalind McFiggans ⁴ Dennis O'Sullivan, Head Teacher ¹ David Thomas (resigned 19 March 2013) ² Michael Wathen ⁴ Mark Wilkinson ³
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- 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
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 2013

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 year ended 31 August 2013. 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.

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
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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

The current composition of Governors includes:-

- 3 Parent governors who are elected by parents of registered pupils at the Academy
- 11 Member governors who are appointed by the Governing Body
- 3 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 (Appointed 27/03/13)
Mr David Thomas (Resigned 19/03/13)
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
Mrs Libby Byne-Grey
Mrs Posy Hill-Williams
Mrs Rosalind McFiggans

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

Mr Martin Butcher (Appointed 27/03/13, subcommittee to be confirmed)

The terms of reference for each of these sub-committees have been written and accepted by the Governing 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
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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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

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 2013 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 behaviour
- 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

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TRUSTEES' REPORT (continued)
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- Staff development promote high professional standards and leadership capacity among staff, leading to 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 remain focussed 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 underachieving 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.

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 to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

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.

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c. REVIEW OF ACTIVITIES

Key Stage 4 2013 (2012) - Points and Percentages

% 5 A* - C	90%	(91%)	(Girls 78%, Boys 60%)
% 5 A* - G	99%	(97%)	
% 1 A* - G	100%	(100%)	

Average TPS	486	(492)	Average TPS (Top 8)	351	(345)
Average APS	42.6	(42.1)	Average APS (Top 8)	43.9	(43.0)

Including English and Maths

% 5 A* - C +EM	70%	2008 - 54%, 2009 - 54%, 2010 - 64%, 2011 - 60%, 2012 - 55%
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2+ GCSEs or equivalent grades at A - C in Science*

% 2+ A* - C	94%	2012 - 91%
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Value Added

Initial analyses indicate that students have achieved, on average, well beyond expectation when compared to FFTA estimates. Capped points scores indicate achievement broadly in line with FFTD estimates, indicating achievement in line with the top 25% of schools nationally.

Progress by Year

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
% 5+ A* - C	65	67	71	79	82	87	90	84	91	90
+EM		47	48	61	54	54	64	60	55	70

- Students completing KS4 in 2013 joined the school with an average KS2 points score of 27.5 and an average CAT score of 99.1, representing an intake profile that is broadly in line with the national average.
- 70% of students achieved 5+ A* - C grades including English and Maths. This is a significant record for the school and well beyond the national average. Contributing factors to success were:
PIXL approach of fine grading, targeted intervention, DTT, 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.
- 90% of students achieved 5+ A* - C grades at GCSE, maintaining the upward trend of the previous 15 years, and was well beyond the national average.
- The average point score rose from 345 to 351, capped at the top 8, and is above the national average. Uncapped total points scores remain strong in spite of a move from OCR Science and other vocational courses to GCSE qualifications.

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FOR THE YEAR ENDED 31 AUGUST 2013

- 73% of students achieved A* - C in English with an astounding 82% of students achieving A* - C in Maths.
- 17 students achieved a C+ in Maths but not English. All but 3 students achieved a C in English but not Maths.
- The % of students achieving 2+ A* - C GCSE grades or equivalent in Science in 2013 was 94%, well above the national average. 90 students achieved at least 2 C grades in GCSE Science, representing 92% of the 98 students who followed the GCSE pathway. This is a significant step in maintaining high achievement at KS4, whilst moving towards an academic curriculum for the majority of students.

Key Stage 5

% A* - E	100% (99%)	Average Entry	SCAAT 216 (210)
% A* - B	42% (39%)	Average TPS	820 (772)
% A* - C	73% (68%)		

Progress at KS5 can be evaluated by comparisons with national data from the Learning Achievement Tracker from the previous year. Since the size of some cohorts is relatively small, care must be taken when trying to draw general conclusions.

- Students completing KS5 in Years 2011, 2012 and 2013 had average GCSE APS scores of 43.9, 44.3 and 44.6 respectively. This equates to an average GCSE grade of between C and B, and represents our inclusive approach to the 6th form at Chauncy.
- 95% of students achieved 3+ A Levels or equivalent, which was above the national average for state funded schools and colleges in 2012.
- 100% of entries in 2013 were at grades A* - E or equivalent, 42% were at grades A* - B and 73% were at A* - C.
- The average points per entry for students taking 1+ exams at A2 in Years 2011, 2012 and 2013 were 215.7, 210 and 216, including AS entries. The re-grading of SCAAT points allocated to BTEC qualifications explains the dip in SCAAT points in 2012. BTEC students in 2013 achieved the more challenging targets required to attain our record points score per entry.
- The rising trend follows a whole school focus on improving the quality of teaching and learning at Key Stage 5, aimed particularly at improving the quality of analytical thinking and writing.
- The average TPS for students taking 1+ exams at A2 in Years 2011, 2012 and 2013 were 831, 765 and 820. The introduction of the EPQ and a range of enrichment subjects (Film Studies, RE and HSLA) has helped to bring about a worthy rise in the total points scores in 2013.
- Attainment and achievement at AS level has improved again – The rising trend in average SCAAT points per entry 99, 102.7 and 104.2 in 2011, 2012 and 2013 respectively, with no significant change in GCSE APS, is a testament to our whole school focus on raising achievement at KS5.
- Students in 2013 achieved particularly well in the vocational subjects - a range of BTEC Sub Diplomas, Diplomas and Extended Diplomas in Art, Business Studies, ICT and PE.
- Our vocational curriculum at KS4 has enabled students to achieve very well at the end of Year 11 and many students 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.
- Achievement at KS5 is broadly in line with expectation. Achievement in A Levels is more variable with some key subjects requiring improvement – Maths, Physics, Economics, Media and English Literature. AS results indicate that results in the majority of these subjects will improve next year. The strategy of fine grading will be implemented at KS5 this year to enable identification of key marginal students and to target intervention where it is most needed.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

d. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

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 2013 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 2013, total expenditure of £5,799,643 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 £552,538.

At 31 August 2013 the net book value of fixed assets was £9,073,910 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.

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy has developed risk management procedures as outlined above. 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.

b. PRINCIPAL RISKS AND UNCERTAINTIES

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.

c. RESERVES POLICY

The level of reserves held at 31 August 2013 total £9,154,736. 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

At present the school does not have an investment policy. However, by following the guidelines of the Financial Handbook, the school invests funds in a high interest account.

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Plans for the future

a. FUTURE DEVELOPMENTS

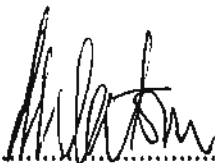
A new ten classroom block is currently being constructed at the school with expected completion in January 2014. The school will continue to update where possible its current buildings and classrooms to provide an excellent teaching facility for students and staff.

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 was approved by order of the board of trustees on 16/12/13 and signed on its 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	6	6
Miles Ambler	6	6
Louise Brace	4	6
Libby Bryne-Grey	6	6
Martin Butcher	2	6
Andrew Caisey	4	6
Darren Franks	5	6
Richard Hallman	5	6
Posy Hill-Williams	3	6
Amanda King	3	6
Linda Lang	4	6
Rosalind McFiggans	6	6
Dennis O'Sullivan, Head Teacher	5	6
David Thomas	3	6
Michael Wathen	5	6
Mark Wilkinson	6	6

Mr Dave Thomas, Chair of the Resources Committee resigned on the 19th March 2013.

Mr Andrew Caisey Chair of the Resources Committee was elected Deputy Chair at the 19th March 2013 full governing body meeting.

Mr Martin Butcher & Mrs Amanda King were appointed to the full governing body on the 27th March 2013.

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	4	5
Robert Watson	4	5
Darren Franks	4	5
Amanda King	2	5
David Thomas	2	5
Mark Wilkinson	4	5

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GOVERNANCE STATEMENT (continued)

Linda Lang	4	5
Michael Wathen	5	5
Dennis O'Sullivan, Head Teacher	5	5

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	3	3
Miles Ambler	3	3
Louise Brace	2	3
Libby Bryne-Grey	3	3
Posy Hill-Williams	0	3
Rosalind McFiggans	3	3
Martin Butcher	0	3

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 2012 to 31 August 2013 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 2012 to 31 August 2013 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.

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GOVERNANCE STATEMENT (continued)

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 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 termly 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 2013. 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 16/12/13 and signed on their behalf, by:



.....
Robert Watson, Chair



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

Date:

CHAUNCY SCHOOL
(A company limited by guarantee)

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 (2012).

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 (2012).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



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

CHAUNCY SCHOOL
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

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 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:

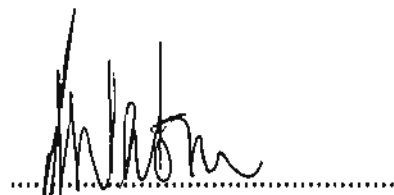
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 the 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 16/12/13 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 MEMBERS OF CHAUNCY SCHOOL

We have audited the financial statements of Chauncy School for the year ended 31 August 2013 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 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. 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 2013 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 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 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 MEMBERS 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: *20th December 2013*

CHAUNCY SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITOR'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, 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 2012 to 31 August 2013 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 the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Chauncy School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Chauncy School and the 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 AUDITOR

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 2012, 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. 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 2012 to 31 August 2013 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 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CHAUNCY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITOR'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 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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: *20th December 2013*

CHAUNCY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	2,928	-	-	2,928	8,330,787
Investment income	3	7,357	-	-	7,357	8,146
Incoming resources from charitable activities	4	71,327	5,944,873	232,500	6,248,700	6,520,126
TOTAL INCOMING RESOURCES		81,612	5,944,873	232,500	6,258,985	14,859,059
RESOURCES EXPENDED						
Charitable activities		-	5,442,794	325,697	5,768,491	6,067,346
Governance costs	6	-	31,152	-	31,152	23,318
TOTAL RESOURCES EXPENDED	9	-	5,473,946	325,697	5,799,643	6,090,664
NET INCOMING RESOURCES BEFORE TRANSFERS		81,612	470,927	(93,197)	459,342	8,768,395
Transfers between Funds	19	-	(394,656)	394,656	-	-
NET INCOME FOR THE YEAR		81,612	76,271	301,459	459,342	8,768,395
Actuarial gains and losses on defined benefit pension schemes		-	31,000	-	31,000	(104,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		81,612	107,271	301,459	490,342	8,664,395
<i>Total funds at 1 September 2012</i>		<i>561,088</i>	<i>(669,144)</i>	<i>8,772,451</i>	<i>8,664,395</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2013		642,700	(561,873)	9,073,910	9,154,737	8,664,395

All activities relate to continuing operations.

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


The notes on pages 24 to 42 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	16		9,073,910		8,751,947
CURRENT ASSETS					
Debtors	17	177,009		101,792	
Cash at bank and in hand		1,218,719		1,039,078	
		<u>1,395,728</u>		<u>1,140,870</u>	
CREDITORS: amounts falling due within one year	18	<u>(652,901)</u>		<u>(550,422)</u>	
NET CURRENT ASSETS			<u>742,827</u>		<u>590,448</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,816,737</u>		<u>9,342,395</u>
Defined benefit pension scheme liability	25		<u>(662,000)</u>		<u>(678,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>9,154,737</u>		<u>8,664,395</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	100,127		8,856	
Restricted fixed asset funds	19	9,073,910		8,772,451	
		<u>9,174,037</u>		<u>8,781,307</u>	
Restricted funds excluding pension liability				8,781,307	
Pension reserve		<u>(662,000)</u>		<u>(678,000)</u>	
Total restricted funds			<u>8,512,037</u>		<u>8,103,307</u>
Unrestricted funds	19		<u>642,700</u>		<u>561,088</u>
TOTAL FUNDS			<u>9,154,737</u>		<u>8,664,395</u>

The financial statements were approved by the Trustees, and authorised for issue, on December 2013 and are signed, on their behalf, by:


.....
Robert Watson, Chair
Chair of Trustees
Date:

The notes on pages 24 to 42 form part of these financial statements.

CHAUNCY SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	21	587,445	902,950
Returns on investments and servicing of finance	22	7,356	8,146
Capital expenditure and financial investment	22	(415,160)	(632,373)
Cash transferred on conversion to an academy trust		-	760,355
INCREASE IN CASH IN THE YEAR		<u><u>179,641</u></u>	<u><u>1,039,078</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	2013 £	2012 £
Increase in cash in the year	<u>179,641</u>	<u>1,039,078</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>179,641</u>	<u>1,039,078</u>
Net funds at 1 September 2012	1,039,078	-
NET FUNDS AT 31 AUGUST 2013	<u><u>1,218,719</u></u>	<u><u>1,039,078</u></u>

The notes on pages 24 to 42 form part of these financial statements.

CHAUNCY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

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 issued by the 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 the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the 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 2013**

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. 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 not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold 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 2013**

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 25, 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 2013 £	Restricted funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
Donations	2,928	-	2,928	-
Transfer from Local Authority on conversion	-	-	-	8,330,787
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	<u>2,928</u>	<u>-</u>	<u>2,928</u>	<u>8,330,787</u>

CHAUNCY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

3. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Interest receivable	7,357	-	7,357	8,146

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Educational activities	-	5,721,166	5,721,166	6,016,233
Rent of facilities	14,660	-	14,660	12,200
Other income	56,667	456,207	512,874	491,693
	<u>71,327</u>	<u>6,177,373</u>	<u>6,248,700</u>	<u>6,520,126</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
General Annual Grant (GAG)	-	5,244,179	5,244,179	5,718,344
Other DfE grants	-	-	-	90,395
Pupil Premium	-	159,988	159,988	54,108
	<u>-</u>	<u>5,404,167</u>	<u>5,404,167</u>	<u>5,862,847</u>
Other government grants				
EFA capital grants	-	-	-	20,504
Other capital grants	-	232,500	232,500	13,636
Other government grants	-	84,499	84,499	119,246
	<u>-</u>	<u>316,999</u>	<u>316,999</u>	<u>153,386</u>
	<u>-</u>	<u>5,721,166</u>	<u>5,721,166</u>	<u>6,016,233</u>

CHAUNCY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

5. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
Educational activities	-	5,768,491	5,768,491	6,067,346

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	<i>Total 2012 £</i>
Educational activities	4,172,460	227,777	1,368,254	5,768,491	6,067,346

6. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
Governance Auditors' remuneration	-	9,000	9,000	-
Previous auditors fees	-	6,592	6,592	10,000
Legal and professional fees	-	14,586	14,586	13,318
Governor training	-	974	974	-
	-	31,152	31,152	23,318

CHAUNCY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

7. DIRECT COSTS

	Educational activities £	Total 2013 £	<i>Total 2012 £</i>
Teaching and educational supplies	201,065	201,065	208,312
Examination fees	88,787	88,787	116,519
Staff development	23,802	23,802	-
Educational consultancy	350	350	-
Other direct costs	31,387	31,387	-
Premises maintenance costs	96,764	96,764	-
Technology costs	89,549	89,549	-
Printing, postage and stationery	31,802	31,802	-
Wages and salaries	3,003,040	3,003,040	3,315,864
National insurance	235,646	235,646	246,956
Pension cost	422,532	422,532	434,625
	<u>4,224,724</u>	<u>4,224,724</u>	<u>4,322,276</u>

8. SUPPORT COSTS

	Educational activities £	Total 2013 £	<i>Total 2012 £</i>
FRS17 pension expense	22,000	22,000	25,000
Trip expenditure	147,034	147,034	156,452
Loss on disposal of fixed assets	97,920	97,920	-
Recruitment	4,206	4,206	48,538
Premises maintenance costs	102,114	102,114	355,976
Rent and rates	55,600	55,600	37,730
Catering costs	170,623	170,623	155,872
Technology costs	13,092	13,092	2,886
Insurance costs	72,592	72,592	64,241
Heat and light costs	60,448	60,448	44,815
Printing, postage and stationery	23,012	23,012	24,930
Cleaning and caretaking costs	22,824	22,824	-
Professional fees	2,880	2,880	-
Other support costs	10,403	10,403	87,310
Wages and salaries	430,970	430,970	473,695
National insurance	19,955	19,955	35,279
Pension cost	60,317	60,317	62,280
Depreciation	227,777	227,777	170,066
	<u>1,543,767</u>	<u>1,543,767</u>	<u>1,745,070</u>

CHAUNCY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Educational activities	3,661,218	-	563,506	4,224,724	4,322,276
Support costs - Educational activities	511,242	227,777	804,748	1,543,767	1,575,004
Charitable activities	4,172,460	227,777	1,368,254	5,768,491	5,897,280
Governance	-	-	31,152	31,152	23,318
	4,172,460	227,777	1,399,406	5,799,643	5,920,598

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £	Total 2012 £
Educational activities	4,224,724	1,543,767	5,768,491	6,067,346

11. NET INCOMING RESOURCES

This is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets: - owned by the charity	227,777	170,066
Auditor's remuneration	9,000	-
Previous auditors fees	6,592	10,000
Loss on disposal of fixed assets	97,920	-

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12. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	3,434,010	3,789,559
Social security costs	255,601	282,235
Other pension costs (Note 25)	482,849	496,905
	4,172,460	4,568,699
Supply teacher costs	18,092	-
	4,190,552	4,568,699

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

	2013 No.	2012 No.
Teachers	85	65
Administration and support	11	7
Management	6	6
	102	78
	102	78

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

	2013 No.	2012 No.
In the band £60,001 - £70,000	2	2
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0
	3	3
	3	3

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £32,693 (2012: £44,596).

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2012 - 3) in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 1 Trustee (2012 - 1) in respect of defined benefit pension schemes.

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The highest paid Trustee received remuneration of £101,065 (2012 - Not disclosed).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Trustee amounted to £14,250 (2012 - Not disclosed).

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:

	2013 £	2012 £
Dennis O'Sullivan (Headteacher)	100,000-105,000	100,000-105,000
Michael Wathen	25,000-30,000	25,000-30,000
Linda Lang	40,000-45,000	40,000-45,000
Rosalind McFiggans	25,000-30,000	25,000-30,000

During the year, no Trustees received any reimbursement of expenses (2012 - £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 2013 was £84 (2012 - £193).

The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

	2013 £	2012 £
Expected return on pension scheme assets	34,000	34,000
Interest on pension scheme liabilities	(56,000)	(59,000)
	<u>(22,000)</u>	<u>(25,000)</u>

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16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
Cost				
At 1 September 2012	8,255,500	20,318	5,433	65,642
Additions	295,808	-	64,611	18,439
Disposals	(102,000)	-	-	-
Transfer between classes	583,812	-	-	-
At 31 August 2013	<u>9,033,120</u>	<u>20,318</u>	<u>70,044</u>	<u>84,081</u>
Depreciation				
At 1 September 2012	165,110	2,540	91	2,325
Charge for the year	180,662	5,079	14,010	28,026
On disposals	(4,080)	-	-	-
At 31 August 2013	<u>341,692</u>	<u>7,619</u>	<u>14,101</u>	<u>30,351</u>
Net book value				
At 31 August 2013	<u>8,691,428</u>	<u>12,699</u>	<u>55,943</u>	<u>53,730</u>
At 31 August 2012	<u>8,090,390</u>	<u>17,778</u>	<u>5,342</u>	<u>63,317</u>
Assets under construction				
			£	Total £
Cost				
At 1 September 2012			575,120	8,922,013
Additions			268,802	647,660
Disposals			-	(102,000)
Transfer between classes			(583,812)	-
At 31 August 2013			<u>260,110</u>	<u>9,467,673</u>
Depreciation				
At 1 September 2012			-	170,066
Charge for the year			-	227,777
On disposals			-	(4,080)
At 31 August 2013			<u>-</u>	<u>393,763</u>
Net book value				
At 31 August 2013			<u>260,110</u>	<u>9,073,910</u>
At 31 August 2012			<u>575,120</u>	<u>8,751,947</u>

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FOR THE YEAR ENDED 31 AUGUST 2013

16. TANGIBLE FIXED ASSETS (continued)

For the purposes of these financial statements, the land is deemed to have no commercial value due to the restrictive covenant placed on the asset.

17. DEBTORS

	2013	2012
	£	£
Trade debtors	11,921	-
Other debtors	101,489	17,499
Prepayments and accrued income	63,599	84,293
	<u>177,009</u>	<u>101,792</u>

18. CREDITORS:
Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	247,998	2,490
Other taxation and social security	75,715	85,397
Other creditors	62,359	60,849
Accruals and deferred income	266,829	401,686
	<u>652,901</u>	<u>550,422</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	561,088	81,612	-	-	-	642,700
Restricted funds						
General Annual Grant (GAG)	-	5,940,262	(5,452,546)	(394,656)	-	93,060
Bursary Fund	8,856	4,611	(6,400)	-	-	7,067
Pension reserve	(678,000)	-	(15,000)	-	31,000	(662,000)
	<u>(669,144)</u>	<u>5,944,873</u>	<u>(5,473,946)</u>	<u>(394,656)</u>	<u>31,000</u>	<u>(561,873)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	8,772,451	232,500	(325,697)	394,656	-	9,073,910
Total restricted funds	<u>8,103,307</u>	<u>6,177,373</u>	<u>(5,799,643)</u>	<u>-</u>	<u>31,000</u>	<u>8,512,037</u>
Total of funds	<u><u>8,664,395</u></u>	<u><u>6,258,985</u></u>	<u><u>(5,799,643)</u></u>	<u><u>-</u></u>	<u><u>31,000</u></u>	<u><u>9,154,737</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 2013.

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**NOTES TO THE FINANCIAL STATEMENTS
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SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	561,088	81,612	-	-	-	642,700
Restricted funds	(669,144)	5,944,873	(5,473,946)	(394,656)	31,000	(561,873)
Restricted fixed asset funds	8,772,451	232,500	(325,697)	394,656	-	9,073,910
	<u>8,664,395</u>	<u>6,258,985</u>	<u>(5,799,643)</u>	<u>-</u>	<u>31,000</u>	<u>9,154,737</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	9,073,910	9,073,910	8,751,947
Current assets	642,700	753,029	-	1,395,729	1,140,870
Creditors due within one year	-	(652,902)	-	(652,902)	(550,422)
Provisions for liabilities and charges	-	(662,000)	-	(662,000)	(678,000)
	<u>642,700</u>	<u>(561,873)</u>	<u>9,073,910</u>	<u>9,154,737</u>	<u>8,664,395</u>

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net incoming resources before revaluations	459,342	8,768,395
Returns on investments and servicing of finance	(7,356)	(8,146)
Inherited pension deficit	-	573,000
Inherited fixed assets	-	(8,255,500)
Depreciation of tangible fixed assets	227,777	170,066
Capital grants from DfE	(232,500)	(34,140)
Increase in debtors	(75,217)	(101,792)
Increase in creditors	102,479	550,422
Deficit on disposal of tangible fixed assets	97,920	-
Cash transferred on conversion	-	(760,355)
FRS 17 adjustments	15,000	1,000
Net cash inflow from operations	<u>587,445</u>	<u>902,950</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	7,356	8,146
	<u>7,356</u>	<u>8,146</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(647,660)	(666,513)
Capital grants from DfE	232,500	34,140
	<u>(415,160)</u>	<u>(632,373)</u>
Net cash outflow capital expenditure	(415,160)	(632,373)

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	1,039,078	179,641	-	1,218,719
Net funds	1,039,078	179,641	-	1,218,719

24. CAPITAL COMMITMENTS

At 31 August 2013 the academy had capital commitments as follows:

	2013 £	2012 £
Contracted for but not provided in these financial statements	692,222	-
	<u>692,222</u>	<u>-</u>

25. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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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25. 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). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on

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25. PENSION COMMITMENTS (continued)

the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

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

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

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

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

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

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 2013 was £174,432, of which employer's contributions totalled £139,803 and employees' contributions totalled £34,629. The agreed contribution rates for future years are 20.6% for employers and 6% 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.

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

The amounts recognised in the Balance sheet are as follows:

	2013 £	2012 £
Present value of funded obligations	(1,531,000)	(1,276,000)
Fair value of scheme assets	869,000	598,000
	<u>(662,000)</u>	<u>(678,000)</u>

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

	2013 £	2012 £
Current service cost	(133,000)	(109,000)
Interest on obligation	(56,000)	(59,000)
Expected return on scheme assets	34,000	34,000
Past service cost	(6,110)	-
	<u>(161,110)</u>	<u>(134,000)</u>

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

	2013 £	2012 £
Opening defined benefit obligation	1,276,000	979,000
Current service cost	133,000	109,000
Interest cost	56,000	59,000
Contributions by scheme participants	35,000	33,000
Actuarial Losses	31,000	96,000
	<u>1,531,000</u>	<u>1,276,000</u>

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

	2013 £	2012 £
Opening fair value of scheme assets	598,000	406,000
Expected return on assets	34,000	34,000
Actuarial gains and (losses)	62,000	(8,000)
Contributions by employer	140,000	133,000
Contributions by employees	35,000	33,000
	<u>869,000</u>	<u>598,000</u>

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

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

	2013	2012
Equities	74.00 %	69.00 %
Bonds	18.00 %	19.00 %
Property	5.00 %	6.00 %
Cash	3.00 %	6.00 %

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

	2013	2012
Discount rate for scheme liabilities	4.60 %	4.10 %
Rate of increase in salaries	5.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %
Inflation assumption (CPI)	2.80 %	2.20 %

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

	2013	2012
Retiring today		
Males	21.0	21.0
Females	23.8	23.8
Retiring in 20 years		
Males	22.9	22.9
Females	25.7	25.7

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2013	2012
	£	£
Defined benefit obligation	(1,531,000)	(1,276,000)
Scheme assets	869,000	598,000
Deficit	<u>(662,000)</u>	<u>(678,000)</u>
Experience adjustments on scheme liabilities	(31,000)	(96,000)
Experience adjustments on scheme assets	<u>62,000</u>	<u>(8,000)</u>

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26. OPERATING LEASE COMMITMENTS

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2013	Other
	2013	2012		
	£	£	£	£
Expiry date:				
Within 1 year	-	-	4,918	-
Between 2 and 5 years	-	-	3,138	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

27. 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.

28. CONTROLLING PARTY

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