

DENE MAGNA



Leading : Learning : Training : Technology

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014



Knowledge ■ Action ■ Results

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DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

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

Trustees

Daniel Haines, Chairman^{1,3}
Stephen Brady, Head Teacher^{2,3}
Roderick Greenwood^{2,3}
Scott Albon^{2,3}
Peter Adams^{2,3}
Liane Pitcher Leigh^{2,3}
James Peryer^{2,3}
Anthony Rose, Chair Facilities Committee^{1,3}
Brian Robinson, Responsible Officer^{2,3}
Stephen Jones^{1,3}
Stephen Dailey^{1,3}
Paul Weiss (appointed 17 June 2014)^{2,3}
Gareth Nutt (appointed 17 June 2014)^{2,3}
Janet Ray, Secretary (appointed 6 July 2011)³

¹ Facilities Committee

² T&L Committee

³ Member

Company registered number

07695544

Principal and registered office

Abenhall Road
Mitcheldean
Gloucestershire
GL17 0DU

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

Administrative details (continued)

Company Secretary

Janet Ray

Head Teacher

Stephen Brady

Senior Leadership Team

Stephen Brady, Head Teacher
Fred Mitchell, Deputy Head
Scott Alborn, Assistant Head
Janet Ray, Business Manager
Gerard Pyburn, Assistant Head
Linda Marshall, Assistant Head

Independent auditors

Randall & Payne LLP
Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Bankers

HSBC
34 High Street
Cinderford
Gloucestershire
GL14 2SB

Royal Bank of Scotland
Pentland House
8 Lochside Avenue
Edinburgh
EH12 9DJ

Solicitors

Harrison Clark Rickerbys
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

DENE MAGNA SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their annual report together with the audited financial statements of the academy trust Dene Mangna School for the period from 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The academy provides secondary education to mixed gender students with an age range of 11-16. It is located in the Forest of Dean, and is an oversubscribed school, providing the next level of education to our primary feeder schools in the catchment area.

Dene Magna School does not have a sponsor and is not associated with any federations.

Structure, governance and management

CONSTITUTION

The academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy.

The trustees of Dene Magna school and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Dene Magna School.

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

MEMBERS' LIABILITY

Each member of the Charitable Company undertakes to contribute to the assets of the 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.

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omission occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The current composition of Governors includes:-

- 3 Parent Governors who are elected by parents of registered pupils at the Academy.
- 6 Partnership Governors who are appointed by the Governing Body.
- 4 Staff Governors who are elected by staff of the Academy.
- The Head teacher who is treated for all purposes as being an ex officio Governor.

At each Annual General Meeting of the Company, subject to remaining eligible, a Governor may be reappointed or re-elected. Parent Governors are required to resign when their child is no longer at the school, but subject to eligibility and availability of positions may be re-appointed as a Partnership Governor.

Should a vacancy arise then the position will be advertised and a selection and interview process completed for suitable applicants.

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Training and induction is provided for new governors, and other skills and development training is dependent on their existing experience. Where necessary, induction is provided on charity, educational, legal and financial matters. All new Governors are given a tour of the Academy and the chance to meet with staff and pupils. Governors on the teaching and learning committee are allocated a department within the academy to work with and offer assistance.

All governors have access to copies of policies and procedures via the web site link and copies of minutes, accounts, budgets, strategic plans and other academy documentation that they require to undertake their role as Governors.

Training is delivered through various mechanisms – mentoring, governors association board etc. and responsibility for co-ordinating this is carried out by Mr S Jones - Governor.

ORGANISATIONAL STRUCTURE

The Governing Body has established a number of sub committees (Facilities, Learning and Personnel) to review policies and performance of the school in all areas. Every member of the Governing body sits on one sub committee. The Head teacher leads the TLP committee and the chair of governors sits on the Facilities committee.

Reports from each of the sub committees is received and discussed at every meeting of the full governing body.

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointment.

The leadership team of the Academy comprises of the Head teacher, Deputy and three assistant heads and the Business manager. This team control the Academy at the executive level implementing the policies laid down by the Governors and reporting back to them. As a group the leadership team are responsible for the authorisation of spending within agreed budgets.

The appointment of staff will follow the recruitment policy.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

During this financial year, Dene Magna School have worked with Gloucestershire College to design and conceptualise the premises for the new college site at the Northern Quarter in Cinderford. This is at its initial stages to ensure the facilities deliver the optimum use of resources. Dene Magna has not incurred any financial expense during these discussions.

There have been no other related party relationships that impact financially on the Academy.

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

Objectives and Activities

OBJECTS AND AIMS

The principal object of the company is the provision of education at Dene Magna School.

In accordance with the Articles of Association, the company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The scheme of Government specifies, amongst the things, the basis for admitting pupils to the Academy, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the Academy during the year ended 31st 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
- To achieve a smooth transition from community foundation status to Academy
- 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.

FINANCIAL OBJECTIVES

The Academy's financial objectives are:-

- To achieve a consistently balanced budget on a long term basis.
- To manage funding available for the benefit of current pupils.
- To invest in the maintenance and renewal of the schools facilities and infrastructure to provide excellent learning and teaching facilities.

The Academy is committed to sustainable development throughout all aspects of its operations. The Academy currently hold the Bronze award from the ECO schools body and are working toward the Green Flag award.

PUBLIC BENEFIT

The Governors have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy.

This is reflected in the school purpose of the education of pupils between the ages of 11 – 16, and the provision of community education programmes outside of the school day.

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

Achievements and performance

Strategic Report

REVIEW OF ACTIVITIES

Total students in the year ended 31 August 2014 were 726 (2013 - 743). As an outstanding school the predicted number of roll permitted is 750 and the indicators for the area are sustainable for the next 5 years.

Year	Places Available	Predicted NOR
2013/14	750	726
2014/15	750	750
2015/16	750	750
2016/17	750	750
2017/18	750	750

ACADEMIC PERFORMANCE	2012	2013	2014
Average Point Score on Entry (Year 7)	28.2	28.0	27.3
5+A*-C	80%	84%	78%
5+A*-C inc English and Maths	60%	64%	58%
KS2-4 making Expected Progress (English)	62%	78%	73%
KS2-4 making Expected Progress (Maths)	80%	83%	74%

	Entry	A*	A	B	C	D	E	F	G	%A*-A	%A*-C
English	145	5	12	45	34	34	9	5	0	11.7%	66.2%
Maths	144	9	12	38	43	19	7	10	2	14.6%	70.8%
Biology	25	2	6	14	3	0	0	0	0	32.0%	100.0%
Chemistry	25	3	6	13	2	1	0	0	0	36%	96.0%
Physics	25	2	8	8	7	0	0	0	0	40%	100.0%
Core Science	99	0	9	31	30	23	6	0	0	9.1%	70.7%
Additional Science	63	1	5	15	31	11	0	0	0	9.5%	82.5%
Applied Science	24	0	0	1	11	12	0	0	0	0.0%	50.0%
Art	44	3	4	11	15	8	2	1	0	15.9%	75.0%
Business Studies	30	0	1	11	7	4	3	3	1	3.3%	63.3%
Child Development	18	0	2	6	3	7	0	0	0	11.1%	61.1%
Drama	12	0	0	1	3	5	2	1	0	0.0%	33.3%
English Literature	63	7	21	23	12	0	0	0	0	44.4%	100.0%
French	46	1	4	7	24	9	1	0	0	10.9%	78.3%
Geography	22	2	1	3	7	4	4	1	0	13.6%	59.1%
GCSE PE	67	3	18	21	20	5	0	0	0	31.3%	92.5%
History	23	7	9	2	3	2	0	0	0	69.6%	91.3%
Latin	4	2	1	0	1	0	0	0	0	75.0%	100.0%
Music	24	3	18	21	20	5	0	0	0	31.3%	100.0%
Manufacturing (Double Award)	162	0	3	19	57	51	28	2	0	1.8%	48.8%
Psychology	1	0	1	0	0	0	0	0	0	100%	100%
Spanish	26	1	3	7	9	3	3	0	0	15.4%	76.9%
RS (Full Course)	83	1	12	16	25	20	3	3	3	15.7%	65.1%

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

	Entries	Dist	Vocational Course Provided at Dene Magna		Pass	% Dist	% Pass +
			Merit	Credit			
ICT (DIDA)	48	3	11	14	20	6.3%	100%
ICT (CDMP- BTEC)	31	0	19		12	0.0%	100%
	Entries	Dist*	Courses provided by partners		Pass	% Dist+	% Pass +
			Dist	Merit			
BTEC Animal Care	6	3	2	0	1	83.3%	100.0%
BTEC Land Based Tech	6	0	0	4	2	0.0%	100.0%
GNVQ Construction	5	0	0	4	1	0.0%	100.0%
Motor Vehicle (level 1)	3				3	0.0%	100.0%
BTEC Horse Care	4	3	1	0	0	100.0%	100.0%

VALUE FOR MONEY STATEMENT

In line with the Department for Education guidance, the value for money statement has been agreed by the Governing Body of the Academy for the period of 1st September 2013 – 31st August 2014.

KEY PERFORMANCE INDICATORS

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

The last inspection from Ofsted in November 2012 concluded that Dene Magna School was an "Outstanding school".

Assessment (Inspection Grade)	(1)
Overall effectiveness of the school	(1)
The schools capacity for sustained improvement	(1)
Outcomes for individuals and groups of pupils	(1)
The quality of teaching	(1)
The effectiveness of leadership and management in embedding ambition and driving improvement	(1)

Ofsted Quotes:-

"Teaching is outstanding and assessment is used extremely well to ensure lesson tasks meet the learning needs of all students".

"Students behaviour is exemplary and students flourish within a very supportive, caring and safe environment".

Financial review

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The academy continues to undertake work to further develop systems of internal control, including financial, operational and risk management designed to protect the Academy's assets and reputation.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

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

1 Government Funding

The Academy has considerable reliance on continued Government funding through the EFA. In the period under review 93% of the income was ultimately public funded and this level of requirement is expected to continue. There are no assurances that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Indeed the Government is currently consulting on a revised system of school funding.

This risk is mitigated in a number of ways:

- Funding is derived through a number of agreements such as letting of facilities to derive additional income streams.
- By ensuring the Academy is rigorous in delivering high quality education and training, thus attracting the maximum pupils
- Continuing to monitor Government funding proposals and make provision accordingly.

2 Pupil Numbers

Pupil numbers are in line with the population trends of the area over the next five year period. The Governors have reviewed and amended the admissions policy to enable expansion of the catchment area to counteract the next few years where pupils are limited within the current catchment area.

3 Academic Performance

The student achievements add to the reputation of the school and the ability to deliver the optimum results. Close attention is paid to monitoring students predicted grades and forecasts and remedial measure installed to support staff and pupils to ensure results are consistently good.

The teaching and learning committee continues to monitor the academic performance and curriculum offer. Pupil Premium funding is utilised to assist with student interventions for entitled students, to ensure maximum progress is achieved.

4 Maintain adequate funding of pension liabilities

The Financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirement of FRS 17. Whilst this currently shows a large liability, the Governors do not believe this poses any risk to the school as the pension scheme has many contributing members. The liability is therefore anticipated to reduce steadily.

RESERVES POLICY

The governors review the reserve levels of the Academy regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reserves at 31 August 2014 are being held to finance the Academy's future strategic development plan. This includes capital improvements where government funding is not available.

PRINCIPAL FUNDING

Most of the Academy's income is obtained from the DFE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DFE during the year ended 31 August 2014 and the associate expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for capital investment. 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.

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

During the year ended 31 August 2014, total expenditure was £4,402,020, the excess of expenditure over income for the year was £2,703.

As at 31 August 2014 the net book value of the fixed assets was £10,704,984 and movements in tangible fixed assets are shown in note 19 to the financial statement. The assets were used exclusively for providing education and the associate support services to the students of the Academy and benefit of the community.

The company operates a defined benefit pension scheme for support staff and is therefore required to recognise the assets and liabilities of the pension fund on its balance sheet. The academy has obtained a valuation report from its actuaries, Hymans Robertson LLP, which shows that as at 31 August 2014 the scheme has assets of £1,063k and liabilities of £2,856k with a pension deficit of £1,793k. The Directors recognise that this is not a significant issue as the scheme has only one current pension in payment and 65 active and contributing members. This liability is therefore expected to reduce as scheme member contributions continue.

MATERIAL INVESTMENTS POLICY

The governors have invested school funds in 2013-14 into the provision of the new Learning Resource Centre. The school have a strategic development plan for premises which covers the next 10 years. The school bid for various funding projects when the opportunity arises, and dependent on the outcome will review the need for further investment from school balances.

Plans for future periods

FUTURE DEVELOPMENTS

The Academy will continue striving to improve levels of academic performance and has rigorous targets and monitoring strategies in place to achieve this.

The Academy will continue to review the quality of service and value for money of external service providers to ensure that these fully meet the needs of our learners.

During 2013/14 the new Learning Resource Centre was constructed utilising some of the reserve balances held at the end of the last financial year.

GOING CONCERN

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

The Academy is committed to ensuring equality of opportunity for all who learn and work here. We respect and value differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

The Academy considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment

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

with the Academy continues. The Academy's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees. An equalities plan is published each year and monitored by managers and Governors.

The Academy seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005, and the Equalities Act 2010.

The Academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Academy's Equal Opportunities Policy, the Academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy's offices.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the trustees are aware:

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

This report, incorporating the Strategic Report, was approved by order of the Governing Body, as the company directors, on 18 November 2014 (and signed on the board's behalf by:

Daniel Haines
Chair of Trustees

18 NOV 2014

DENE MAGNA SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Dene Magna 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 Governing Body has delegated the day-to-day responsibility to the Head Teacher, 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 Dene Magna School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Daniel Haines, Chairman	6	6
Stephen Brady, Head Teacher	5	6
Roderick Greenwood, Deputy Chair	5	6
Scott Albon	6	6
Peter Adams	6	6
Liane Pitcher Leigh	5	6
James Peryer	4	6
Anthony Rose, Chair Facilities Committee	5	6
Brian Robinson, Responsible Officer	6	6
Stephen Jones	5	6
Janet Ray, Company Secretary	6	6
Stephen Dailey	6	6

Governance reviews:

The academy undertook an internal review of governance in 2012/13 and a further one is scheduled for 2015.

The facilities committee is a sub- committee of the main governing body. Its purpose is to monitor and advise on the finances of the school. Attendance at meetings in the year was as follows:-

Trustee	Meetings attended	Out of a possible
Daniel Haines, Chairman	6	6
Anthony Rose, Chair	6	6
Stephen Daily	6	6
Stephen Jones	6	6
Janet Ray, Company Secretary	6	6

The Strategic review Board have met on the following occasions:-

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Daniel Haines, Chairman	3	3
Stephen Brady, Head Teacher	3	3
Roderick Greenwood	3	3
James Peryer	3	3
Peter Adams	3	3
Liane Pitcher Leigh	3	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 Dene Magna 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 Governing Body 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 Governing Body 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 Governing Body.

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 Governing Body;
- regular reviews by the finance and general purpose 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Brian Robinson, a Trustee, as Responsible Officer (RO).

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GOVERNANCE STATEMENT (continued)

The RO'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 RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The RO has delivered their schedule of work as planned, and no material control issues were identified.

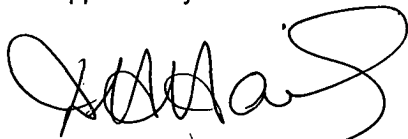
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Manager and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 18 November 2014 and signed on its behalf, by:



18 Nov 2014

Daniel Haines
Chair of Governors



Stephen Brady, Head Teacher
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Dene Magna School I have considered my responsibility to notify the Academy Governing Body 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 Governing Body 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 Governing Body and EFA.



Stephen Brady, Head Teacher
Accounting Officer

Date: 18 November 2014

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who act as governors of Dene Magna 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:

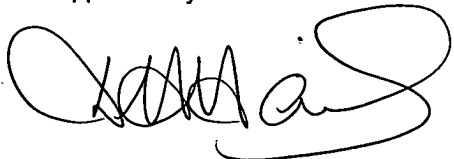
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 Governing Body and signed on its behalf by:



Daniel Haines
Chair of Governors

Date: 18 November 2014

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF DENE MAGNA SCHOOL

We have audited the financial statements of Dene Magna 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 Annual Accounts Direction 2013/14 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013/14 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.

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF DENE MAGNA 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.



Mr Russel Byrd (Senior Statutory Auditor)

for and on behalf of

Randall & Payne LLP

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date:

16th December 2014

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DENE
MAGNA SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 24 January 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013/14, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dene Magna 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 Dene Magna School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Dene Magna 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 Dene Magna School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF DENE MAGNA SCHOOL'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Dene Magna School's funding agreement with the Secretary of State for Education dated 1 July 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 2013/14. 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 2013/14 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.

The work undertaken during the audit included:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other Key management personnel;
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DENE
MAGNA 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.

Randall & Payne LLP

Randall & Payne LLP

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: *16th December 2014*

DENE MAGNA 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

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	3	29,877	-	5,000	34,877	17,333
Activities for generating funds	4	70,823	-	-	70,823	70,780
Investment income	5	2,517	-	-	2,517	2,453
Incoming resources from charitable activities	6	-	4,056,492	32,627	4,089,119	4,088,366
Other incoming resources	7	-	201,981	-	201,981	254,006
TOTAL INCOMING RESOURCES		103,217	4,258,473	37,627	4,399,317	4,432,938
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	8	124,463	-	-	124,463	116,178
Charitable activities		-	4,035,231	234,113	4,269,344	4,077,144
Governance costs	9	-	8,213	-	8,213	12,816
TOTAL RESOURCES EXPENDED	12	124,463	4,043,444	234,113	4,402,020	4,206,138
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(21,246)	215,029	(196,486)	(2,703)	226,800

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

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 £	Total funds 2013 £
Transfers between Funds	24	36,192	(343,373)	307,181	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		14,946	(128,344)	110,695	(2,703)	226,800
Actuarial gains and losses on defined benefit pension schemes		-	(437,000)	-	(437,000)	23,000
NET MOVEMENT IN FUNDS FOR THE YEAR		14,946	(565,344)	110,695	(439,703)	249,800
<i>Total funds at 1 September 2013</i>		<i>234,028</i>	<i>(970,013)</i>	<i>10,601,702</i>	<i>9,865,717</i>	<i>9,615,917</i>
TOTAL FUNDS AT 31 AUGUST 2014		248,974	(1,535,357)	10,712,397	9,426,014	9,865,717

All activities relate to continuing operations.

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

The notes on pages 25 to 47 form part of these financial statements.

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07695544

BALANCE SHEET
AS AT 31 AUGUST 2014

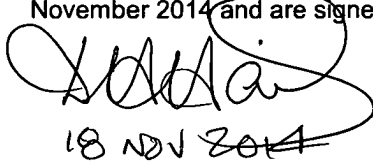
	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	19		10,704,984		10,601,702
CURRENT ASSETS					
Stocks	20	7,600		11,536	
Debtors	21	71,848		50,269	
Cash at bank and in hand		790,369		633,108	
		<u>869,817</u>		<u>694,913</u>	
CREDITORS: amounts falling due within one year	22	(292,672)		(103,898)	
NET CURRENT ASSETS			<u>577,145</u>		<u>591,015</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,282,129</u>		<u>11,192,717</u>
CREDITORS: amounts falling due after more than one year	23		(63,115)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>11,219,014</u>		<u>11,192,717</u>
Defined benefit pension scheme liability	29		(1,793,000)		(1,327,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>9,426,014</u></u>		<u><u>9,865,717</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	24	257,643		356,987	
Restricted fixed asset funds	24	10,712,397		10,601,702	
Restricted funds excluding pension liability		<u>10,970,040</u>		<u>10,958,689</u>	
Pension reserve		<u>(1,793,000)</u>		<u>(1,327,000)</u>	
Total restricted funds			<u>9,177,040</u>		<u>9,631,689</u>
Unrestricted funds	24		<u>248,974</u>		<u>234,028</u>
TOTAL FUNDS			<u><u>9,426,014</u></u>		<u><u>9,865,717</u></u>

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2014

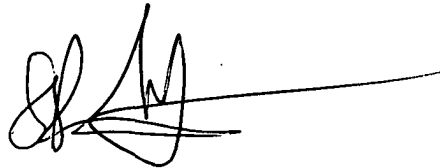
The financial statements were approved by the Trustees, and authorised for issue, on
November 2014 and are signed on their behalf, by:

18



18 NOV 2014

Daniel Haines
Chair of Trustees



Stephen Brady, Head Teacher

The notes on pages 25 to 47 form part of these financial statements.

DENE MAGNA 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	26	393,686	364,214
Returns on investments and servicing of finance	27	2,513	2,453
Capital expenditure and financial investment	27	(314,676)	(132,579)
CASH INFLOW BEFORE FINANCING		81,523	234,088
Financing	27	75,738	-
INCREASE IN CASH IN THE YEAR		157,261	234,088

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

	2014 £	2013 £
Increase in cash in the year	157,261	234,088
Cash outflow from decrease in debt and lease financing	(75,738)	-
MOVEMENT IN NET FUNDS IN THE YEAR	81,523	234,088
Net funds at 1 September 2013	633,108	399,020
NET FUNDS AT 31 AUGUST 2014	714,631	633,108

The notes on pages 25 to 47 form part of these financial statements.

DENE MAGNA 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 2013/14 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 funders where the asset acquired or created is held for a specific purpose.

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

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

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

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

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

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

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

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

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.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

DENE MAGNA 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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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.

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

Assets costing £300 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and 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.

Assets in the course of construction are included at cost on a basis of stage of completion. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of fixed assets is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

The Governors have agreed to include the inherited land & buildings from the previously Local Authority (LA) maintained school at depreciated replacement cost, on the basis of the valuation carried out by Drivers Jonas Deloitte as at 31 August 2012 for the Education Funding Agency and the Whole of Government Accounts. This was chosen in favour of having a separate formal valuation, as the cost of such a formal valuation would be onerous compared with the additional benefit derived by users of the accounts in assessing management's stewardship of the assets; the Governors deemed it more beneficial to expend these funds on the objectives of the company. This is in accordance with FRS 15 section 18. The Governors have not adopted a policy of revaluation.

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:

Freehold buildings	-	50 years straight-line basis and 10 and 25 years for improvements
Fixtures and fittings	-	5 years straight-line basis
ICT equipment	-	5 years straight-line basis

1.7 Operating leases

Rentals under operating leases are charged on an accruals basis over the lease term.

1.8 Stocks

Catering stocks are valued at the lower of cost and net realisable value and heating oil stocks are valued at the lower of cost.

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 schedule 6 of the Finance act 2010 and it therefore 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 with 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.

The trading income received by the Academy is not wholly primary purpose income and therefore falls outside the scope of the above exemptions and is potentially taxable. The Academy has however not breached the Charity small trading limits in the year and therefore no liability to Corporation Tax has arisen.

1.10 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 29, 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. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2014.

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

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

3. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	29,877	5,000	34,877	17,333

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Lettings Income	1,386	-	1,386	1,387
Catering	69,437	-	69,437	69,393
	<u>70,823</u>	<u>-</u>	<u>70,823</u>	<u>70,780</u>

5. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Investment income	2,517	-	2,517	2,453

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Educational Operations	-	4,089,119	4,089,119	4,088,366

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
Devolved Formula Capital Allocations	-	16,572	16,572	113,370
General Annual Grant	-	3,634,126	3,634,126	3,471,481
Other DfE / EFA Grants	-	204,676	204,676	206,939
	-	3,855,374	3,855,374	3,791,790
Other government grants				
SEN from LA	-	217,690	217,690	296,576
	-	217,690	217,690	296,576
Other funding				
Lottery grant	-	16,055	16,055	-
	-	16,055	16,055	-
	-	4,089,119	4,089,119	4,088,366

7. OTHER INCOMING RESOURCES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Pupil Trips	-	176,052	176,052	203,267
Music Tuition	-	771	771	22,858
Community Income	-	25,158	25,158	27,881
	-	201,981	201,981	254,006

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

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

8. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Catering costs	63,890	-	63,890	61,193
Voluntary income staff costs	60,573	-	60,573	54,985
	<u>124,463</u>	<u>-</u>	<u>124,463</u>	<u>116,178</u>

9. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Governance Auditors' remuneration	-	6,000	6,000	6,000
Governance Auditors' non audit costs	-	1,150	1,150	2,950
Legal & Professional Fees	-	1,063	1,063	3,566
Support Costs	-	-	-	300
	<u>-</u>	<u>8,213</u>	<u>8,213</u>	<u>12,816</u>

10. DIRECT COSTS

	Educational Operations £	Total 2014 £	Total 2013 £
FRS17 pension costs	48,000	48,000	50,000
Operating Leases	-	-	28,229
Educational Supplies	185,907	185,907	169,495
Examination Fees	56,521	56,521	49,643
Staff Development	11,174	11,174	10,003
Music Tuition	2,590	2,590	24,820
Educational Trips	190,651	190,651	204,000
Community Costs	27,606	27,606	40,653
Other Direct Costs	25,207	25,207	11,834
Technology Costs	59,626	59,626	-
Wages and salaries	2,188,745	2,188,745	2,683,096
National insurance	162,255	162,255	-
Pension cost	342,263	342,263	-
Depreciation	227,966	227,966	201,619
	<u>3,528,511</u>	<u>3,528,511</u>	<u>3,473,392</u>

DENE MAGNA SCHOOL
(A Company Limited by Guarantee)

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

11. SUPPORT COSTS

	Educational Operations £	Total 2014 £	Total 2013 £
Heat and Light	72,960	72,960	62,915
Rates	23,176	23,176	20,257
Insurance	37,531	37,531	45,793
Premises and Maintenance Costs	188,901	188,901	39,613
Cleaning Contracts	7,174	7,174	4,650
Technology Costs	-	-	64,922
Other Support and Admin Expenses	96,663	96,663	83,005
Wages and salaries	263,461	263,461	307,597
National insurance	14,375	14,375	-
FRS17 current pension costs adjustment	36,592	36,592	(25,000)
	740,833	740,833	603,752

12. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Costs of generating voluntary income	60,573	63,890	124,463	116,178
Costs of generating funds	60,573	63,890	124,463	116,178
Educational Operations	2,693,263	835,248	3,528,511	3,473,392
Support costs - Educational Operations	314,428	426,405	740,833	603,752
Charitable activities	3,007,691	1,261,653	4,269,344	4,077,144
Governance	-	8,213	8,213	12,816
	3,068,264	1,333,756	4,402,020	4,206,138

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13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £	Total 2013 £
Educational Operations	<u>3,528,511</u>	<u>740,833</u>	<u>4,269,344</u>	<u>4,077,144</u>

14. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	227,966	201,619
Auditors' remuneration	6,000	6,000
Auditors' remuneration - non-audit	1,150	2,950
Operating lease rentals:		
- other operating leases	<u>10,688</u>	<u>22,229</u>

15. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,510,746	2,484,455
Social security costs	178,663	176,014
Other pension costs (Note 29)	378,856	360,209
	<u>3,068,265</u>	<u>3,020,678</u>
Community support costs	22,810	36,565
Agency staff	22,663	-
	<u>3,113,738</u>	<u>3,057,243</u>

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15. STAFF (continued)

b. Staff numbers

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

	2014 No.	2013 No.
Teachers (and Educational Staff)	65	68
Administration (and Premises Staff)	16	12
Leadership Team (included within above)	6	6
	<u>87</u>	<u>86</u>

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	3	0
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0
	<u>4</u>	<u>1</u>

All of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for these staff amounted to £34,689 (2013:£11,428).

16. TRUSTEES' REMUNERATION AND EXPENSES

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 £
Peter Adams	35,000-40,000	25,000-30,000
Liane Pitcher Leigh	45,000-50,000	40,000-45,000
Scott Albon	55,000-60,000	50,000-55,000
Stephen Brady	90,000-95,000	80,000-85,000

During the year ended 31 August 2014, expenses totalling £1432 (2013 - £NIL) were reimbursed to 4 Trustees (2013 - NIL).

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17. 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 £1,411 (2013 - £1,411). The cost of this insurance is included in the total insurance cost.

18. OTHER FINANCE INCOME

	2014 £	2013 £
Expected return on pension scheme assets	57,000	31,000
Interest on pension scheme liabilities	(105,000)	(81,000)
	<u>(48,000)</u>	<u>(50,000)</u>

19. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2013	10,901,084	13,243	107,081	11,021,408
Additions	283,261	34,508	13,479	331,248
At 31 August 2014	<u>11,184,345</u>	<u>47,751</u>	<u>120,560</u>	<u>11,352,656</u>
Depreciation				
At 1 September 2013	363,255	10,951	45,500	419,706
Charge for the year	202,157	4,002	21,807	227,966
At 31 August 2014	<u>565,412</u>	<u>14,953</u>	<u>67,307</u>	<u>647,672</u>
Net book value				
At 31 August 2014	<u>10,618,933</u>	<u>32,798</u>	<u>53,253</u>	<u>10,704,984</u>
At 31 August 2013	<u>10,537,829</u>	<u>2,292</u>	<u>61,581</u>	<u>10,601,702</u>

Included in land and buildings is freehold land at valuation of £1,509,756 (2013 - £1,509,756) which is not depreciated.

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FOR THE YEAR ENDED 31 AUGUST 2014**

20. STOCKS

	2014	2013
	£	£
Catering stock and heating, oil and gas	7,600	11,536

21. DEBTORS

	2014	2013
	£	£
Trade debtors	4,024	8,239
Reclaimable VAT	22,998	29,312
Prepayments and accrued income	44,826	12,718
	71,848	50,269

**22. CREDITORS:
Amounts falling due within one year**

	2014	2013
	£	£
Salix loan	12,623	-
Trade creditors	12,851	49
Other taxation and social security	52,109	-
Other creditors	52,778	-
Accruals and deferred income	162,311	103,849
	292,672	103,898

Deferred income

	£
Deferred income at 1 September 2013	13,801
Resources deferred during the year	97,916
Amounts released from previous years	(13,801)
Deferred income at 31 August 2014	97,916

**23. CREDITORS:
Amounts falling due after more than one year**

	2014	2013
	£	£
Salix loan	63,115	-

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**NOTES TO THE FINANCIAL STATEMENTS
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23. CREDITORS:
Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £	2013 £
Repayable by instalments	12,623	-

The Academy took out an EFA approved, interest free Salix loan in the year, payable over 6 years.

24. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds*	234,028	103,217	(124,463)	36,192	-	248,974
Restricted funds						
General Annual Grant (GAG)	266,852	3,634,127	(3,371,232)	(347,640)	-	182,107
Other DfE/EFA grants	-	204,675	(204,675)	-	-	-
SEN	-	217,690	(217,690)	-	-	-
Music Tuition Fund	-	771	(2,590)	1,819	-	-
Private Trips Fund	90,135	176,052	(190,651)	-	-	75,536
Community fund*	-	25,158	(27,606)	2,448	-	-
Pension reserve	(1,327,000)	-	(29,000)	-	(437,000)	(1,793,000)
	(970,013)	4,258,473	(4,043,444)	(343,373)	(437,000)	(1,535,357)

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**NOTES TO THE FINANCIAL STATEMENTS
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24. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	10,601,702	-	(227,966)	331,248	-	10,704,984
Lottery Grant	-	16,055	(6,147)	(2,495)	-	7,413
Devolved Formula Capital Grant	-	16,572	-	(16,572)	-	-
Savoy Educational Trust	-	5,000	-	(5,000)	-	-
	<u>10,601,702</u>	<u>37,627</u>	<u>(234,113)</u>	<u>307,181</u>	<u>-</u>	<u>10,712,397</u>
Total restricted funds	<u>9,631,689</u>	<u>4,296,100</u>	<u>(4,277,557)</u>	<u>(36,192)</u>	<u>(437,000)</u>	<u>9,177,040</u>
Total of funds	<u>9,865,717</u>	<u>4,399,317</u>	<u>(4,402,020)</u>	<u>-</u>	<u>(437,000)</u>	<u>9,426,014</u>

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	234,028	103,217	(124,463)	36,192	-	248,974
Restricted funds	(970,013)	4,258,473	(4,043,444)	(343,373)	(437,000)	(1,535,357)
Restricted fixed asset funds	10,601,702	37,627	(234,113)	307,181	-	10,712,397
	<u>9,865,717</u>	<u>4,399,317</u>	<u>(4,402,020)</u>	<u>-</u>	<u>(437,000)</u>	<u>9,426,014</u>

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

Restricted GAG Fund, Other DfE/EFA grants & Other funds - This fund represents grants received for the Academy's operational activities and development.

SEN fund - This fund is for subsidising the extra cost of educating children with special educational needs.

Music tuition fund - This is monies that students have paid to pay for music tuition costs.

Private trips fund - This is income from students to pay for educational trips and school activities in the future.

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**NOTES TO THE FINANCIAL STATEMENTS
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24. STATEMENT OF FUNDS (continued)

Community fund - This is income used to provide services and facilities for the local community.

DfE capital grants - These grants relate to funding received from the DfE, EFA and private sponsors to carry out works of a capital nature as part of the School Building project.

Donated Fixed Asset fund - This is the fund value of assets brought into the academy, the appropriate depreciation is being charged to this fund on an annual basis.

Savoy Educational Trust - this was a grant to fund a new food technology demonstration area.

Lottery Fund - this was a grant to fund outdoor tennis tables.

Pension reserve - This fund relates solely to the LGPS pension reserve.

*Transfers between funds reflect GAG monies expended on Catering, Music Tuition and Community funds in excess of monies received to provide these services. This is in accordance with the purpose of the GAG fund.

The transfers between funds were in respect of the following:

Subsidy of music tuition out of GAG	£1,819
Subsidy of Community fund costs out of GAG	£2,448
Learning Resource Centre funded from GAG and other restricted income	£298,621
Free school meals supplemented by unrestricted reserves	£36,192

25. 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	-	-	10,704,984	10,704,984	10,601,702
Current assets	248,974	613,430	7,413	869,817	694,913
Creditors due within one year	-	(292,672)	-	(292,672)	(103,898)
Creditors due in more than one year	-	(63,115)	-	(63,115)	-
Provisions for liabilities and charges	-	(1,793,000)	-	(1,793,000)	(1,327,000)
	<u>248,974</u>	<u>(1,535,357)</u>	<u>10,712,397</u>	<u>9,426,014</u>	<u>9,865,717</u>

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26. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	(2,703)	226,800
Returns on investments and servicing of finance	(2,513)	(2,453)
Depreciation of tangible fixed assets	227,966	201,619
Capital grants from DfE	(16,572)	(113,370)
Decrease in stocks	3,936	2,557
Increase in debtors	(21,579)	(25,201)
Increase in creditors	176,151	49,262
FRS 17 adjustments	29,000	25,000
Net cash inflow from operations	393,686	364,214

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	2,513	2,453
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(331,248)	(245,949)
Capital grants from DfE	16,572	113,370
Net cash outflow capital expenditure	(314,676)	(132,579)
	2014 £	2013 £
Financing		
New secured loans (Salix)	75,738	-

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**NOTES TO THE FINANCIAL STATEMENTS
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28. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	633,108	157,261	-	790,369
Debt:				
Debts due within one year	-	(12,623)	-	(12,623)
Debts falling due after more than one year	-	(63,115)	-	(63,115)
Net funds	633,108	81,523	-	714,631

29. 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 Gloucestershire County Council Pension Fund. Both are defined benefit schemes.

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

Contributions amounting to £52,473 were payable to the scheme at 31 August 2014 (2013 - £49,011) and are included within creditors.

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

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

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29. PENSION COMMITMENTS (continued)

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.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

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 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 reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting, scheme will commence on 1 April 2015.

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29. PENSION COMMITMENTS (continued)

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 £210,000, of which employer's contributions totalled £175,000 and employees' contributions totalled £40,000. The agreed contribution rates for future years are 26.3% for employers and 5.5 - 7.5% for employees.

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

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.30	765,000	6.60	625,000
Bonds	3.20	223,000	3.80	174,000
Property	4.50	64,000	4.70	52,000
Cash	3.30	11,000	3.60	17,000
Total market value of assets		<u>1,063,000</u>		<u>868,000</u>
Present value of scheme liabilities		<u>(2,856,000)</u>		<u>(2,195,000)</u>
Deficit in the scheme		<u><u>(1,793,000)</u></u>		<u><u>(1,327,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(2,856,000)	(2,195,000)
Fair value of scheme assets	<u>1,063,000</u>	<u>868,000</u>
Net liability	<u><u>(1,793,000)</u></u>	<u><u>(1,327,000)</u></u>

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29. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2014 £	2013 £
Current service cost	(156,000)	(139,000)
Interest on obligation	(105,000)	(81,000)
Expected return on scheme assets	57,000	31,000
Total	(204,000)	(189,000)
 Actual return on scheme assets	 133,000	 100,000

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

	2014 £	2013 £
Opening defined benefit obligation	2,195,000	1,891,000
Current service cost	156,000	139,000
Interest cost	105,000	81,000
Contributions by scheme participants	40,000	39,000
Actuarial Losses	384,000	45,000
Benefits paid	(24,000)	-
Closing defined benefit obligation	2,856,000	2,195,000

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

	2014 £	2013 £
Opening fair value of scheme assets	868,000	566,000
Expected return on assets	57,000	31,000
Actuarial gains and (losses)	(53,000)	68,000
Contributions by employer	175,000	164,000
Contributions by employees	40,000	39,000
Benefits paid	(24,000)	-
Total	1,063,000	868,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £437,000 (2013 - £(140,000))

The Academy expects to contribute £206,000 to its Defined Benefit Pension Scheme in 2015.

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29. PENSION COMMITMENTS (continued)

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.50 %	5.90 %
Rate of increase in salaries	3.90 %	4.60 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.5	21.7
Females	24.6	23.6
Retiring in 20 years		
Males	24.4	23.5
Females	27	25.8

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(2,856,000)	(2,195,000)	(1,891,000)
Scheme assets	1,063,000	868,000	566,000
Deficit	(1,793,000)	(1,327,000)	(1,325,000)
Experience adjustments on scheme liabilities	(384,000)	(45,000)	(182,000)
Experience adjustments on scheme assets	(53,000)	68,000	19,000

30. OPERATING LEASE COMMITMENTS

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

	2014 £	2013 £
Expiry date:		
Within 1 year	4,264	4,342
Between 2 and 5 years	28,355	26,455

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31. 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 trustees 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.

The following related party transaction took place in the year.

Forest Gate Church, where Mr S Jones (a trustee of the trust) is the pastor:

- The church hired school facilities during the year totalling £8,640 (2013:£9,395). The amount outstanding at 31 August 2014 was £1,080 (2013:nil).
- The amounts charged were at a normal commercial rate.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.