

Company Registration No. 08360915 (England and Wales)

ACADEMY @ WORDEN

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2014



ACADEMY @ WORDEN

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ACADEMY @ WORDEN

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Mrs M T Woodall (Chair) *
Mr C Catherall (Headteacher and Accounting Officer) *
Mrs J Bell (Community Governor)
Mr A Blackburn (Staff Governor)
Mr D Blackledge (Staff Governor)
Mr C J Ferguson (Community Governor) *
Mr A Hammersley (Co-Opted Governor) *
Mrs C Harrison (Community Governor) (Resigned 10 July 2014)
Mr S J Hawkins (Parent Governor)
Mrs K E Hawkins (Parent Governor) *
Mr D J Hewitt (Community Governor) *
Mrs A C Howden (Community Governor) *
Miss D Swarbrick (Parent Governor) *
Mr E Webster (Staff Governor) (Resigned 31 August 2014)
Mrs M Abbott (Community Governor) *
Mr J Meers (Appointed 5 December 2013)
Mrs D Carr (Appointed 9 December 2013)

* members of the Business and Resources Committee

Members

Mrs M T Woodall
Mrs L Fullbrook MP
Mr J Williams
Mr D Hewitt

Senior management team

- Deputy Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Director of Business and Finance

Mr A Hammersley
Mr D Blackledge
Mrs L Wood
Mr M Reed

Company secretary

Mr M Reed

Company registration number

08360915 (England and Wales)

Registered office

Worden Sports College
Westfield Drive
Leyland
PR25 1QX

Independent auditor

Moore and Smalley LLP
Richard House
9 Winckley Square
Preston
PR1 3HP

ACADEMY @ WORDEN

REFERENCE AND ADMINISTRATIVE DETAILS

Actuary

Mercer Limited
Mercury Court
Tithebarn Street
Liverpool
L2 2QH

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Lancashire County Council
County Hall
Preston
PR1 8XJ

ACADEMY @ WORDEN

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The Governors present their annual report together with the accounts and independent auditor's reports of the Charitable Company for the period 1 September 2013 to 31 August 2014. The comparative figures are for the seven month period to 31 August 2013.

The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11-16 serving a catchment area in Leyland. It has a pupil capacity of 588 and had a roll of 325 in the school census on 2 October 2014.

Structure, governance and management

Constitution

Worden High School converted to Academy @ Worden ("The Academy") on 1 February 2013. 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 Academy was incorporated on 15 January 2013 and commenced its activities on transfer from the Local Authority on the conversion date stated above.

Two of the governors act as members for the charitable activities of the Academy. There are two additional members who are not governors. The Governors are the trustees of Academy @ Worden and are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Academy @ Worden.

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

Members' liability

Each member of the Charitable Company undertakes to contribute 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.

Governors' indemnities

The Academy has purchased indemnity insurance to protect governors and officers from claims arising in connection with Academy business. The insurance provides cover of up to £2,000,000 on any one claim.

Principal activities

The principal object and activity of the charitable company is the operation of a school to provide education for pupils of mixed abilities between the ages of 11 and 16. In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

Method of recruitment and appointment or election of Governors

The Governors are appointed by the following:

Parent governors	Elected by parents of the students of the Academy
Staff governors	Elected by staff of the Academy
Community governors	Appointed by Governing Body
Co-opted governors	Appointed by Governing Body

Policies and procedures adopted for the induction and training of Governors

On appointment all governors are provided with induction training organised and monitored by the Director of Business and Finance. Ongoing training is provided through Lancashire County Council who also provide the clerking service.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Organisational structure

The Academy is governed by its Governing Body, whose members are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of four levels: the Members, the Governing Body, the Headteacher, the Senior Leadership Team and the Operational Leadership Team.

The Governing Body is responsible for setting general policies, adopting a school improvement plan and budget, monitoring the academy's performance, making major policy decisions and appointing senior staff. Certain elements of these responsibilities are delegated to the following sub committees who make recommendations to the full Governing Body:

- Business and Resources
- Pupil, Curriculum and Learning
- Audit

The Headteacher, who is also the Accounting Officer, and Senior Leadership Team are responsible for the day to day operation of the school, mainly organising teaching and support staff, facilities and students.

The Senior Leadership Team comprises:

- The Deputy Headteacher
- Assistant Headteacher (Curriculum)
- Assistant Headteacher (Pastoral and Special Educational Needs)
- Director of Business and Finance

Connected organisations including related party relationships

Academy@Worden is part of the Chorley and South Ribble Heads Group, which meets termly and works together to share information and good practice. Its purpose is to disseminate and discuss important information and to collaborate on activities aimed at improving provision for young people at Worden and in the area. The group includes colleges and other training providers which endeavour to develop projects and programmes which benefit young people who attend many of the participating schools. Another key element of this work is to provide additional services from agencies such as YPS to ensure appropriate support is put into place as swiftly as possible.

The school also attends meetings of representatives from Lancashire Academies and is part of the Central Lancaster High School Alliance. Again, the work of these networks is to improve provision in the participating schools. Worden is the host school for the areas 'School Games Organiser' and has facilities for the community police officers to use as and when required for meetings and other related activities.

Objectives and activities

Objects and aims

The Academy Trust's object is specifically restricted to the following: 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.

The principal aim of the Academy is to provide an outstanding learning environment that helps all students to fulfil their potential.

Academy@Worden is a happy, purposeful and thriving school that provides excellent opportunities for all students to succeed. Learning is the central focus of all that is done at Worden and it is committed to developing the whole child, providing opportunities essential for personal, intellectual, emotional and social growth.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

All students are supported by a strong pastoral system, which ensures they receive the individual care and attention they need. An extensive system of rewards encourages the pursuit of excellence and values, and celebrates achievements in all areas of school life. High expectations of attendance, punctuality, uniform and behaviour underpins success in school and lays the foundations for success in the wider community and life beyond school.

All members of the school community are encouraged to work and cooperate in an atmosphere of mutual respect which is integral to the school ethos.

Objectives, strategies and activities

The main objectives for the period were:

- To maximise student attainment and progress
- To maximise student numbers by actively marketing the academy

The vision of Worden is to be an outstanding school with outstanding outcomes for all. The Academy Trusts' Improvement Plan for the period under review was produced to achieve this vision and to address the challenges and opportunities arising from national changes in education policy and academy status.

Key activities and targets have included the following:

- 1) Improve the quality of teaching to ensure it is at least good in all lessons and learning is consistently good.
 - o Improve teaching, planning, Afl and marketing to ensure teaching and learning over time are at least good.
 - o Ensure that KAGAN is embedded to facilitate collaborative and independent learning to take place in all lessons
 - o Personalise learning through differentiation that provides challenge for all
 - o Improve Literacy of all pupils through a cross curricular focus
 - o Ensure homework tasks set are of a consistently high standard and monitored by leaders through 'Show My Homework'.
 - 2) Improve the attainment and progress of pupils in all groups. Raise standards across the school and improve the quality of work produced by all pupils.
 - o Ensure the percentage of students achieving 5+A*-C is above the floor targets and in line with the national figure
 - o Improve or maintain the progress of learners in English and Maths so that it is in line with national rates
 - o Reduce in-house variation between subjects and pupil groups
 - o Strengthen assessment and reporting systems
 - o Prepare fully for the new National Curriculum
 - 3) Develop the skills of all leaders in evaluating the quality of provision and implementing strategies to drive improvement.
 - o Improve the overall effectiveness of the middle leaders
 - o Improve self-evaluation and planning to improve standards
 - o Improve school information systems and their use in driving up standards
 - o Develop a fair and effective appraisal system in view of changes to the pay policy and pay progression
 - 4) Provide a safe environment where all learners respect themselves and others. They behave well, take ownership of their own learning and have a desire to learn and succeed. Strengthen communication and involvement of parents.
 - o Reduce exclusions through internal intervention annexe and appropriate programmes to support reintegration
 - o Further develop and refine the Rewards System to raise aspirations and a desire to learn
 - o Strengthen and further develop roles and systems within the SEN and Learning Support Faculty
 - o Develop efficient and effective systems for measuring the progress of any pupil in receipt of any form of intervention from learning support
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ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

- 5) Audit current ICT provision, including the use of hand held and wireless technology. Develop ICT to meet the needs of learners, trainers and employers in an ever changing world.
 - o Fully audit current provision in all aspects of ICT
 - o Ensure ICT performance across the school is improved and this improvement maintained
 - o Ensure that all school information systems are fit for purpose, provide value for money and used effectively to raise standards

- 6) Establish a clear and fully costed long term plan for improvements to the fabric and integrity of the building and improvements required to make the learning environment pleasant and inspiring.
 - o Secure the bid to replace the roof of the school and carry out the work safely and on time
 - o Bid for further grant funding and Salix finance to carry out essential work to make the school more energy efficient
 - o Improve the appearance of the school both internally and externally

- 7) Prepare and implement an effective and fully costed Improvement plan in order to achieve the Academy's vision to be an 'Outstanding' school.
 - o Review the teaching and non-teaching staff structures to ensure Worden meets the needs of all learners and provides value for money
 - o Maximise income generation from a range of sources
 - o Strengthen links with the community, local and national businesses to enhance provision
 - o Market the school in order to maximise growth in a strategic and cost effective way

Public benefit

The Governors are aware of the Charity Commission Guidance guidance on providing public benefit and have had due regard to this in exercising their duties during the period. This advice has been referred to when reviewing the aims of Worden and planning future activities that are for the benefit of the public.

The Academy trust provides education to children and young people that:

- is broad and balanced
- promotes spiritual, moral, cultural, mental and physical development of students at the school and of society
- prepares students for opportunities and experiences of later life
- promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise

The school is open to the public five evenings per week offering the use of its many sporting facilities including its outdoor pitches.

During the day it offers limited use by the general public for meetings and other activities such as keep fit for the elderly. Worden regularly hosts sporting festivals for partner primary schools and houses a defibrillator for use by the community in case of emergency.

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GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

Strategic report

Achievements and performance

The latest Ofsted report, September 2012, rated the school 'GOOD' overall.

- Achievement of pupils - Good
- Quality of teaching - Good
- Behaviour and safety of pupils - Good
- Leadership and management - Good

Our latest Ofsted report stated that teaching is good and our internal monitoring now indicates that 94% of lessons are good or outstanding. It also states that the management of teaching and learning is good.

Leadership and management were also rated good by Ofsted and the report states that leaders and managers monitor the work of individual staff effectively. During the year ending 31 August 2014 leadership and management has been further strengthened and remains extremely strong. Behaviour and safety is another strength of the school. We have an outstanding pastoral system and the behaviour of pupils is excellent both in and out of lessons. Our strong discipline policy deals with any pupil that fails to meet with our high expectations whilst our reward system ensures that hard work, high achievement and effort are recognised publically.

The Governors have a clear view of the school's strategic direction and provide strong challenge and support. The Governing Body includes a range of well-deployed expertise and has a record of dealing well with difficult issues. Governors have been quick to identify their own training needs and to take advantage of opportunities to develop their skills.

Key performance indicators

The GCSE (and equivalents) results for 2014 are included in the table below. Previous years outcomes are also provided for comparison.

Indicator	2009	2010	2011	2012	2013	2014
% 5+ A*-C inc English and maths	41	44	58	65	56	28
% 5+ A*-C	57	78	85	100	100	43
% 1+ A*-G	100	99	100	100	100	100
% Students making three levels progress in English	N/A	N/A	90	89	72	59
% Students making three levels progress in Maths	N/A	N/A	57	65	61	43
CVA/Value Added Score	993	1022	1018	1032	1028	N/A

The Value Added Score is a measure of pupil progress based on KS2 performance. A score of 1000 broadly indicates that pupils have made the expected progress.

Key performance indicators

- Exam targets
- Attendance statistics
- Reserves targets
- Environmental targets
- Staff ratios

In September of 2013 Worden celebrated another set of excellent examination results and with the publication of our Value Added Score were placed in the top 10% of school nationally for pupil progress. Pupil outcomes were not as strong in 2014 when compared to previous years. A pleasing 85% of pupils left with five or more good GCSEs or equivalent. In English, 54% of pupils achieved A*-C and 47% achieved A*-C in Maths. The programme of revision and support for pupils of all abilities was extensive and took place before and after school as well as in curriculum time both on and off the school site. Staff gave up much of their own time to help both year 10 and 11 pupils to prepare for their exams and controlled assessments.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Worden continued to promote and market the academy highly effectively and the number of pupils, at 97, who joined us in September 2013 was the highest since 2006 when it was 73. We also had a very high number of 'in year' arrivals during 2013/14 due to our improved reputation in the community and academic success.

The year started with day 2 of our KAGAN training which served to further improve the quality of teaching and learning through collaboration and active engagement. Mr Mellor, the new ICT network manager started in September 2013 and has proved a real asset to the school. Worden also employed six apprentices in a variety of roles to enhance provision both in and outside of the classroom. Our 'Open evening' was a huge success resulting in parents making Worden their number one choice of high school for their child. By 31st August 2014 we were prepared for 80 new starters. Three new GCSE subjects started in September 2013, Business Studies, Psychology, Sociology & Food Nutrition and all proved to be a popular choice.

This first Languages' Week at Worden was a huge success. Activities included a day at UCLan for Year 10 students. On Wednesday evening, the Languages' Department teamed up with science in order to hold our very first Murder Mystery evening. Pupils and parents were also offered taster sessions in French, Makaton, Spanish and Greek. Bringing the week to a close was the Cultural Dress Day, where staff and students were invited to attend school dressed as the culture of their choice.

Charity events, 'Operation Christmas Child', 'Children in Need' and the 'Santa Dash', all raised money for good causes in the run up to Christmas. We were visited by a group of Native Americans from Oklahoma and we became NW Gymnastics Champions for yet another year. During December we also held a 'Careers Day' involving mock interviews and CV writing. The Christmas production, 'The Match' had rave reviews and the carol concert and Worden's staff 'Strictly Come Dancing' entertained pupils on the last day of term. In January we raised more money for the Katy Holmes' Trust when students got the opportunity to 'Hug a Husky'. March saw Worden raise money for Sport Relief with students and staff being challenged to row, cycle and run a total of 25,000m.

Worden pupils competed in the North West Gymnastics Championships. The girls' performance was outstanding bringing home nine medals in total with Gold on floor and vault. At the South Ribble Gymnastics Competition, Worden again won gold on floor and vault. Worden came second yet again in the National Cheerleading Competition for our 'Pom' dance. Our dancers also won the South Ribble Street Dance Competition which was held at Worden. The Basketball is another strength at Worden and the under 13 boys won the South Ribble Cup remaining undefeated. This year's under 16 athletics event was held at the Preston Sports Arena, and one of our boys won the 3000m going on to represent South Ribble later in the year.

Art started a Mosaic Club for Year 8 pupils after school run by a group of adults from a local charity based organization, 'The Leyland Project'. The GCSE Art & Design group visited the Walker Art Gallery, Liverpool to do some sketching with staff in their sculpture gallery and the opportunity to look around the David Hockney exhibition. Performing Arts also ran a very successful weekend trip to London to see Charlie and the Chocolate Factory and a KS3 cross-curricular theatre trip to watch Horrible Histories at the Lowry, Manchester.

The new 'ICT Manager', Mr Mellor, started in December 2013 as did our new 'Head of Science and Technology', Mr Ballan. Mark Reed, our new Director of Business and Finance, started at the end of February 2014 and oversaw the installation of our new roof and the successful bid for replacement boilers.

Several of our Year 7 pupils entered the South Ribble 'Design a Bridge Competition' as part of STEM week and won.

On June 20th Worden were extremely well represented at the Leyland Festival with our own float, taking part in the procession, and a marquee on the park. It was a fantastic day with the Worden Lion, Winston, making his first public appearance. We won the Rotary Club 'Young Writer' competition and the 'Spelling Bee' for a second consecutive year. We won the South Ribble Young Leader of the Year award for a second consecutive year. Worden was also nominated for Lancashire Secondary School of the Year for a third consecutive year and after winning in 2013 we were proud to be runners up in 2014.

Worden also offered pupils the opportunity to participate in the Duke of Edinburgh Scheme and 15 pupils successfully completed their Bronze practice expedition in July 2014.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

Worden continued to make the quality of teaching its main priority for improvement with the aim to ensure all lessons contain at least good teaching on a daily basis. 'Learning and Teaching' workshops, introduced in 2012-13, and continued in 2013-14. They ran from 2pm to 4pm and the 4 workshops focussed on:

1. KAGAN (Collaborative learning across Worden)
- 2&3. Preparing for the new National Curriculum
4. Teaching and learning

Middle and Senior Leader development also continued to be a priority and two members of staff started their NPQSL through the National College for School Leaders. One member of staff successfully completed their NPQH.

Rewards play a major part in raising aspirations and our reward system continues to inspire pupils to achieve their best. Reward assemblies see pupils receiving certificates and other prizes for effort, progress and achievement as well as for 100% attendance and representing the school. The programme of rewards trips included the Blackpool Illuminations, Trafford Centre, bowling and McDonalds, Ice Skating, the Sandcastle in Blackpool and Blackpool Pleasure Beach.

This year, Academy @ Worden delivered the Graduate Teacher Training Programme for the second time for one member of staff who had previously been employed as our exams officer and data manager. We appointed a new Second in Mathematics, a teacher of technology and two Progress Managers to start in September 2014.

Attendance for 2012-13 was 94.6%, which was above target, and attendance continued to improve in 2013-14 to 95.7%, the best in the last four years. The proportion of pupils arriving late to school reduced as did the number of internal isolations.

School continues to nurture students and provide a range of rewards, support and intervention strategies to help make them feel valued, inspire them to improve and to help them achieve. Some of these initiatives included:

- Nurture room open at breaks and lunch times for vulnerable pupils
- Intervention programme for underperforming pupils
- Non uniform days to raise money for rewards and charities
- Skills Northwest conference in Manchester
- College Taster Days and college assemblies
- Presentation assemblies rewarding progress, achievement and good attendance
- Young People's Services – a variety of visits and events aimed at students
- The school nurse visiting school on a weekly
- Year 6 transition meetings and year 5 visits for prospective pupils
- New Intake evenings and taster days
- Community litter pick in partnership with McDonalds

Intervention and support

- Year 11 received one to one mentoring for students on a weekly basis
- Breakfast Club
- Parental meetings
- Pastoral Support Programmes
- Alternative provision for identified pupils
- Targeted support in lessons
- Access to the school counsellor
- Collaboration with Social Services, family support workers, Head of LAC support, the police, 'Addaction', YOT/GRIP etc.
- Child Protection Conference meetings, TAC meetings and meetings with, key, early intervention agencies

School Games Programme

Academy@Worden continued to be instrumental in the success of the School Games Programme across South Ribble and Lancashire through its provision of facilities and Sports Leaders to host the many competitions, festivals and events which have included the provision of training opportunities through national governing body accredited courses for Sports Leaders from across all local secondary schools, thus equipping and enabling them to volunteer, officiate and assist in the extensive competitions calendar at primary and secondary level as well as those for our special schools.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

This year Worden has organised, hosted and trained leaders for the following competitions/festivals:

- KS2 Sportshall Athletics
- South Ribble Tag Rugby finals
- Primary school New Age Kurling
- Central Venue Netball and Football
- Inclusive Panathlon
- KS1 Multi-skills
- KS2 Quad Kids competition
- SR Netball finals

Academy@Worden remains an accredited 'Change4Life' club for both Table Tennis and Badminton.

Worden's Leadership Academy:

Worden's Leadership Academy has grown from strength to strength these past 4 years and in doing so has played a very prominent role in leading and officiating at many of the primary competitions, festivals and other organised PE events. It is only through the use of the leaders (both at Worden and other secondary schools in South Ribble) that we are able to organise and host the national School Games programme.

In addition to the primary programme, Worden has organised and hosted NGB accredited courses in Sportshall Athletics, Tag Rugby, Football and Cricket. As part of the PE department's ongoing commitment to the development of our Leadership Academy at Worden we have several pupils registered on the Youth Sport Trust's Ambassadors Programme.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the Governing Body continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Academy Environment

In this period the ACMF funding for the first phase of the roof project has been delivered and the project completed in early April. The academy also successfully won an ACMF bid to have their boilers replaced. The awarded funds were on a part ACMF Grant and part SALIX loan basis and the project is due for completion in October 2014.

Financial review

Staff Costs	£	% of GAG
Teaching	955,546	60
Learning Support	294,088	18
Premises	38,044	2
Admin	97,971	6
Other	14,010	1
Total	1,399,659	87

The Academy's total incoming resources during the period were £2,558,748 (2013: £4,349,761, including £3,185,748 in respect of the net transfer of assets on conversion). The majority of the Academy's income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the period was £2,531,087 (2013: £1,138,817) and further details are provided in the accounts.

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GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Total outgoing resources for the period were £2,702,496 (2013: £1,195,073), the majority of which related to the direct provision of educational operations (£2,663,713). The net movement in funds for the period was £31,252 however if we exclude the actuarial gains on defined benefit pension scheme, the net expenditure for the year was £143,748.

At the period end the Academy's total reserves were £3,189,940 (2013: £3,158,688), including unrestricted funds of £119,230 (2013: £193,691) and restricted funds of £3,070,710 (2013: £2,964,997). Restricted funds include fixed assets of £3,358,527 (2013 £3,435,439), less the LGPS pensions scheme deficit of £357,000 (2013: £487,000).

At 31st August 2014 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Academy.

Financial and risk management objectives and policies

The academy has completed a four year projection of pupil numbers, income and expenditure. This has been discussed with Governors and scrutinised to ensure the academy balances the quality of its provision and value for money.

The calculations allow for increasing staff numbers, aligning to the rising pupil numbers. It has been noted that the academy may need to apply to the EFA for additional funding, due to the lag funding effect.

Reserves policy

Restricted GAG reserves

The Governors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Governors believe that, under normal circumstances, the appropriate level of GAG reserve should be between 0.5% and 2.5% of GAG income, which equates to approximately £8,000 - £41,000 on an annual basis, and aim to keep the reserve within these parameters.

At 31 August 2014 the academy held no restricted GAG reserves.

Unrestricted reserves

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the academy holds unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the Governors' policy to aim to hold £160,000 - £170,000, approximately 1 months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve.

At 31 August 2014 the level of unrestricted reserves held was £119,230.

Restricted pension scheme reserve

On conversion, the School inherited a deficit of £476,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit had decreased to £357,000 by 31 August 2014, mainly due to changes in actuarial gains. The level of any deficit payments will be reviewed following the next actuarial valuation in 2016 and any changes in the required level of payment will be included in the School's annual budget from the date they take effect. The School does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. 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.

Investment policy and powers

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The school does not currently hold any investments other than cash, which is held for its normal operations. The Governing Body has adopted a low risk strategy to its cash holdings. All surplus cash is held in the main bank account to ensure that there is always access to sufficient cash to meet short and medium term requirements.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

Principal risks and uncertainties

The principal risk the academy faces is loss of grant income due to a reduction in student numbers. The governors and academy have set up a Marketing Committee to help drive the marketing and publicity for the academy. A resulting factor is a key investment in this area, in terms of time, money and staff commitment.

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to governance, operations, finance, safeguarding and health and safety. These risks are reviewed on a termly basis by the governing body. Certain risks are managed by the Business and Resources Committee and others by the Curriculum committee.

The internal financial systems are based on the Academies Financial Handbook and are documented in the Academy Finance Manual and Scheme of Delegation. The systems are based on a framework of segregation of duties which include authorisation and approval. Financial management information is provided to the Headteacher on a monthly basis and to the Committee itself each term. The Academy and Governors have also completed a full review of the Risk Register and EFA Fraud Checklist within the period.

The responsible officer role has been performed during the period by TLL Accountants and it is pleasing to note there have been no significant findings over the accounting period.

Plans for future periods

A summary of the 2014-17 Academy Improvement Plan is provided below.

1) Provide teaching over time that is outstanding

Most of the teaching in all key stages and all subjects must be outstanding and never less than consistently good. As a result, almost all pupils, including disabled pupils, those who have special educational needs, those for whom the pupil premium provides support and the most able, are making rapid and sustained progress.

2) Ensure outstanding achievement and progress for all students

The proportions of pupils making expected progress and the proportions exceeding expected progress in English and in mathematics are high compared with national figures. For pupils for whom the pupil premium provides support, the proportions are similar to, or above, those for other pupils in the school or are rapidly approaching them.

3) Develop outstanding leaders and teams at all levels

Leaders focus relentlessly on improving teaching and learning and provide focused professional development for all staff, especially those that are newly qualified and at an early stage of their careers. This is underpinned by searching performance management that encourages, challenges and supports teachers' improvement.

4) Secure outstanding behaviour (including behaviour for learning) and safety

All pupils consistently display a thirst for knowledge and a love of learning, including in independent, group and whole class work, which have a very strong impact on their progress in lessons. Pupils' behaviour in and outside of lessons is always impeccable. Pupils' pride in the school is shown by their excellent conduct, manners and punctuality.

5) Communication and information systems are rationalised to ensure outstanding provision in all areas.

Communication systems including: SIMS, PARS, Texts, News@Worden, Website, School Network, Pupil voice, Parent voice, Show My Homework etc. improve internal communications and strengthen home-school partnerships.

6) Establish outstanding academy, business and financial planning and evaluation to ensure a sustainable and flourishing future which involves and engages all stakeholders and promotes further collaboration.

Three year academy and financial vision and plans, accurate self-evaluation are in place and regularly updated and acted upon. Meetings, collaboration with other schools, colleges, universities, businesses, wider community and other stakeholders promote cohesion and help raise pupil aspirations, expectations and attainment. Generate increased income through community use.

Funds held as custodian trustee on behalf of others

No custodian funds are held.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

Auditor

In so far as the Governors are aware:

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

A resolution proposing that Moore and Smalley LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 04 December 2014 and signed on its behalf by:



Mrs M T Woodall
Chair

ACADEMY @ WORDEN

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Academy @ Worden 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 Headteacher, 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 Academy @ Worden 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 Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met twice during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governors	Meetings attended	Out of possible
Mrs M T Woodall (Chair)	3	3
Mr C Catherall (Headteacher and Accounting Officer)	3	3
Mrs J Bell (Community Governor)	2	3
Mr A Blackburn (Staff Governor)	1	3
Mr D Blackledge (Staff Governor)	2	3
Mr C J Ferguson (Community Governor)	3	3
Mr A Hammersley (Co-Opted Governor)	3	3
Mrs C Harrison (Community Governor) (Resigned 10 July 2014)	0	3
Mr S J Hawkins (Parent Governor)	2	3
Mrs K E Hawkins (Parent Governor)	1	3
Mr D J Hewitt (Community Governor)	2	3
Mrs A C Howden (Community Governor)	2	3
Miss D Swarbrick (Parent Governor)	1	3
Mr E Webster (Staff Governor) (Resigned 31 August 2014)	3	3
Mrs M Abbott (Community Governor)	3	3
Mr J Meers (Appointed 5 December 2013)	2	2
Mrs D Carr (Appointed 9 December 2013)	1	2

ACADEMY @ WORDEN

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

The Business and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to ensure sound management of the academy's finances and resources, including proper planning monitoring and probity.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mrs M T Woodall (Chair)	3	3
Mr C Catherall (Headteacher and Accounting Officer)	2	3
Mr C J Ferguson (Community Governor)	3	3
Mr A Hammersley (Co-Opted Governor)	3	3
Mrs K E Hawkins (Parent Governor)	1	3
Mr D J Hewitt (Community Governor)	2	3
Mrs A C Howden (Community Governor)	2	3
Miss D Swarbrick (Parent Governor)	1	3
Mrs M Abbott (Community Governor)	2	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 on-going 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 Academy @ Worden for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

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 period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. 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 Business and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed TLL Accountants, as responsible officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO will report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The ROs has now completed a full year of reviews and it is pleasing to note that there were no significant findings.

ACADEMY @ WORDEN

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

Review of effectiveness

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

Risk Register

The Governing Body have prepared a risk register which was approved in July 2014. The register identified key risks which will be reviewed on a termly basis by the Governing Body. Many of the risks have been allocated to the Business and Resources and Teaching, Learning and Curriculum committees. Each committee will create a risk sub-committee which will meet specifically to review risks and actions taken by the management of the academy to mitigate them.

Financial Management and Governance

The Governors prepared a self-assessment in May, together with an action plan to ensure all outcomes are achieved within the next few months.

Responsible Officer (RO) Function


The Governors have appointed TLL Accountants to perform the RO function. They presented quarterly reports to the Business and Resources Committee on the systems of control within the academy. Recommendations arising from the reports have been implemented immediately after the reports are approved.

Internal Controls

During the year several actions have been taken to improve internal controls. These have included :
A system to ensure the payroll is approved by senior management before processing.
Preparation of a three year financial plan based on forecast intake numbers.

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the Business and Resources Committee and a plan to ensure continuous improvement is in place.

Approved by order of the Governing Body on 04 December 2014 and signed on its behalf by:



Mrs M T Woodall
Chair



Mr C Catherall
Headteacher and Accounting Officer

ACADEMY @ WORDEN

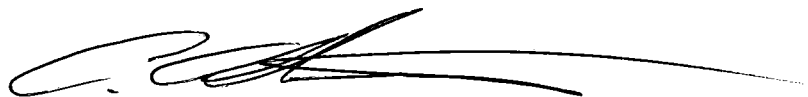
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2014

As Accounting Officer of Academy @ Worden 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 Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy's 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.

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.

Approved on 04 December 2014 and signed by:



Mr C Catherall
Accounting Officer

ACADEMY @ WORDEN

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees for Academy @ Worden and are also the directors of Academy @ Worden for the purposes of company law) are responsible for preparing the Governors' Report and the accounts 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 Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the Governing Body on 04 December 2014 and signed on its behalf by:



Mrs M T Woodall
Chair

ACADEMY @ WORDEN

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACADEMY @ WORDEN

We have audited the accounts of Academy @ Worden for the year ended 31 August 2014 set out on pages 22 to 43. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 18, the Governors, who are also the directors of Academy @ Worden for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

ACADEMY @ WORDEN

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ACADEMY @ WORDEN

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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Tracey Johnson (Senior Statutory Auditor)
Moore and Smalley LLP

Chartered Accountants
Statutory Auditor
Richard House
9 Winckley Square
Preston
PR1 3HP

Dated: 11 December 2014

ACADEMY @ WORDEN

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACADEMY @ WORDEN AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 May 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Academy @ Worden during the period 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 Academy @ Worden and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy @ Worden 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 the Academy @ Worden and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Academy @ Worden's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Academy @ Worden's funding agreement with the Secretary of State for Education dated 30 January 2013 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 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 2014 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.

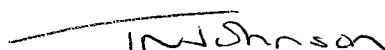
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

The work undertaken to draw to our conclusion includes an evaluation of the control environment of the school together with appropriate enquiry, analytical review and substantive testing of transactions.

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 period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tracey Johnson
Reporting Accountant
Moore and Smalley LLP

Dated: 11 December 2014

ACADEMY @ WORDEN

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds	Restricted funds	Fixed Asset fund	Total 2014	7 months ended 31 August 2013
	Notes	£	£	£	£	£
<u>Incoming resources</u>						
<i>Resources from generated funds</i>						
- Voluntary income	2	1,930	5,673	-	7,603	2,775
- Inherited on conversion		-	-	-	-	3,185,748
- Activities for generating funds	3	19,509	-	-	19,509	22,262
- Investment income	4	549	-	-	549	159
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	39,406	1,929,206	562,475	2,531,087	1,138,817
Total incoming resources		61,394	1,934,879	562,475	2,558,748	4,349,761
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Fundraising trading	6	15,572	-	-	15,572	16,496
<i>Charitable activities</i>						
- Educational operations	7	42,514	2,555,416	65,783	2,663,713	1,143,990
Governance costs	8	-	23,211	-	23,211	34,587
Total resources expended	6	58,086	2,578,627	65,783	2,702,496	1,195,073
Net incoming/(outgoing) resources before transfers		3,308	(643,748)	496,692	(143,748)	3,154,688
Gross transfers between funds		(77,769)	621,373	(543,604)	-	-
Net income/(expenditure) for the year		(74,461)	(22,375)	(46,912)	(143,748)	3,154,688
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	25	-	175,000	-	175,000	4,000
Net movement in funds		(74,461)	152,625	(46,912)	31,252	3,158,688
Fund balances at 1 September 2013		193,691	(470,442)	3,435,439	3,158,688	-
Fund balances at 31 August 2014	16	119,230	(317,817)	3,388,527	3,189,940	3,158,688

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.


ACADEMY @ WORDEN

BALANCE SHEET

AS AT 31 AUGUST 2014

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		3,388,527		3,435,439
Current assets					
Stocks	12	-		4,215	
Debtors	13	145,711		67,843	
Cash at bank and in hand		216,202		338,557	
		<u>361,913</u>		<u>410,615</u>	
Creditors: amounts falling due within one year	14	(203,500)		(200,366)	
Net current assets			<u>158,413</u>		<u>210,249</u>
Total assets less current liabilities			<u>3,546,940</u>		<u>3,645,688</u>
Defined benefit pension liability	25	(357,000)		(487,000)	
Net assets			<u><u>3,189,940</u></u>		<u><u>3,158,688</u></u>
Funds of the Academy:					
Restricted income funds	16				
- Fixed asset funds			3,388,527		3,435,439
- General funds			39,183		16,558
- Pension reserve			(357,000)		(487,000)
Total restricted funds			<u>3,070,710</u>		<u>2,964,997</u>
Unrestricted funds	16		<u>119,230</u>		<u>193,691</u>
Total funds			<u><u>3,189,940</u></u>		<u><u>3,158,688</u></u>

The accounts were approved by order of the Governing Body and authorised for issue on 04 December 2014.


Mrs M T Woodall
Chair

Company Number 08360915

ACADEMY @ WORDEN

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	7 months ended 31 August 2013 £
Net cash inflow/(outflow) from operating activities	20	(104,033)	148,650
Cash funds transferred on conversion		-	189,748
Returns on investments and servicing of finance			
Investment income		549	159
Net cash inflow/(outflow) from returns on investments and servicing of finance		549	159
		(103,484)	338,557
Capital expenditure and financial investments			
Capital grants received		562,475	8,793
Capital grants expenditure		(562,475)	(8,793)
Payments to acquire tangible fixed assets		(18,871)	-
Net cash flow from capital activities		(18,871)	-
Increase/(decrease) in cash	21	(122,355)	338,557

ACADEMY @ WORDEN

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

1 Accounting policies

1.1 Basis of preparation

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

1.2 Going concern

The Governors 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 company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an Academy, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an Academy have been valued at their fair value being a reasonable estimate of the current market values that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Academy @ Worden. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 Incoming resources

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

Grants receivable

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

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

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 the value of the donation is measurable.

Donations

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

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

Other income

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

Donated services and gifts in kind

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.

1.5 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.

Costs of generating funds

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

Charitable activities

These are costs incurred on the Academy's educational operations.

Governance costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

On conversion the School acquired the land and buildings from which it operates under a 99 year lease. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 August 2013 on behalf of the Department for Education by Mouchel. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

In addition, the School inherited the fixtures and fittings and other tangible fixed assets in use by the School at the date of conversion. Except for certain computer equipment recently purchased, the remaining assets had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included in the accounts for these assets. The insurance value of fixtures and fittings and other assets inherited on conversion was £1,890,000.

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

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

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold land and buildings	2% p.a
Computer equipment	33.3% p.a
Fixtures, fittings & equipment	10%-25% p.a

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

A review for impairment of a fixed asset 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.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

1.9 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.

1.10 Pensions benefits

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 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 are 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 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 until 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.

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

1.11 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 Governors.

Restricted fixed asset funds are resources which have been utilised in acquiring fixed assets. The initial funding may have arisen from unrestricted funds or other restricted funds, a transfer from the appropriate fund is made to the fixed asset fund to identify the capitalisation of an asset and future depreciation on these assets will be charged to the fixed asset fund.

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

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	7 months ended 31 August 2013 £
Other donations	1,930	5,673	7,603	2,775

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	7 months ended 31 August 2013 £
Hire of facilities	13,634	-	13,634	12,052
Uniform sales	4,697	-	4,697	3,689
Other income	1,178	-	1,178	6,521
	19,509	-	19,509	22,262

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	7 months ended 31 August 2013 £
Short term deposits	549	-	549	159

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

5 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	7 months ended 31 August 2013 £
DfE / EFA grants				
General annual grant (GAG)	-	1,634,104	1,634,104	946,185
Start up grants	-	-	-	25,000
Capital grants	-	562,475	562,475	8,793
Other DfE / EFA grants	-	215,156	215,156	91,842
	<u>-</u>	<u>2,411,735</u>	<u>2,411,735</u>	<u>1,071,820</u>
Other government grants				
Local authority grants	-	21,811	21,811	59,972
Other grants	-	36,600	36,600	-
	<u>-</u>	<u>58,411</u>	<u>58,411</u>	<u>59,972</u>
Other funds				
Other incoming resources	39,406	21,535	60,941	7,025
	<u>39,406</u>	<u>2,491,681</u>	<u>2,531,087</u>	<u>1,138,817</u>

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £	7 months ended 31 August 2013 £
Academy's educational operations					
- Direct costs	1,301,569	262	213,572	1,515,403	784,899
- Allocated support costs	209,807	770,009	168,494	1,148,310	359,091
	<u>1,511,376</u>	<u>770,271</u>	<u>382,066</u>	<u>2,663,713</u>	<u>1,143,990</u>
Other expenditure					
Costs of activities for generating funds	9,511	1,364	4,697	15,572	16,496
Governance costs	-	-	23,211	23,211	34,587
	<u>9,511</u>	<u>1,364</u>	<u>27,908</u>	<u>38,783</u>	<u>51,083</u>
Total expenditure	<u>1,520,887</u>	<u>771,635</u>	<u>409,974</u>	<u>2,702,496</u>	<u>1,195,073</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

6 Resources expended

(Continued)

	2014	7 months ended 31 August 2013
	£	£
Incoming/outgoing resources for the year include:		
Operating leases		
- Plant and machinery	38,573	23,837
Depreciation	65,783	36,561
Fees payable to auditor		
- Audit	5,650	5,500
- Other services	1,785	450
- Preparation of statutory accounts	1,500	1,500
	<u> </u>	<u> </u>

7 Charitable activities

	Unrestricted funds	Restricted funds	Total 2014	7 months ended 31 August 2013
	£	£	£	£
Direct costs				
Teaching and educational support staff costs	39,406	1,262,163	1,301,569	690,730
Depreciation	-	262	262	-
Technology costs	-	40,972	40,972	18,171
Educational supplies and services	3,108	169,492	172,600	75,998
	<u>42,514</u>	<u>1,472,889</u>	<u>1,515,403</u>	<u>784,899</u>
Allocated support costs				
Support staff costs	-	189,807	189,807	97,382
Depreciation	-	65,521	65,521	36,561
Maintenance of premises and equipment	-	568,134	568,134	25,472
Cleaning	-	54,671	54,671	34,029
Energy costs	-	18,254	18,254	28,500
Rent and rates	-	38,650	38,650	29,470
Insurance	-	22,584	22,584	15,076
Security and transport	-	26,149	26,149	199
Catering	-	49,848	49,848	19,862
Interest and finance costs	-	20,000	20,000	12,000
Other support costs	-	94,692	94,692	60,540
	<u>-</u>	<u>1,148,310</u>	<u>1,148,310</u>	<u>359,091</u>
Total costs	<u>42,514</u>	<u>2,621,199</u>	<u>2,663,713</u>	<u>1,143,990</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	7 months ended 31 August 2013 £
Legal and professional fees	-	6,621	6,621	26,001
Auditor's remuneration				
- Audit of financial statements	-	5,650	5,650	5,500
- Other services	-	3,286	3,286	1,950
Other governance costs	-	7,654	7,654	1,136
	<u>-</u>	<u>23,211</u>	<u>23,211</u>	<u>34,587</u>

9 Staff costs

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

	2014 Number	2013 Number
Teachers	17	16
Administration and support	23	14
Management	5	5
	<u>45</u>	<u>35</u>

Costs included within the accounts:

	2014 £	2013 £
Wages and salaries	1,161,405	629,156
Social security costs	94,287	46,954
Other pension costs	207,988	104,503
	<u>1,463,680</u>	<u>780,613</u>
Supply teacher costs	23,308	9,843
Staff development and other staff costs	33,899	21,159
	<u>1,520,887</u>	<u>811,615</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

9 Staff costs

(Continued)

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number	2013 Number
£60,001 - £70,000	1	1

The above employee participated in the Teacher's Pension Scheme. During the period ended 31 August 2014, pension contributions for this member of staff amounted to £9,167.

10 Governors' remuneration and expenses

The headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments from the academy trust in respect of their role as Governors. During the year, travel and subsistence payments totalling £nil (2013£nil) were reimbursed to Governors.

The value of Governors' remuneration (including pension contributions) for the period was as follows:

C Catherall - Headteacher and Governor	£70,000 - £75,000 (2013 £40,000 - £45,000)
A Hammersley - Co-opted Governor	£55,000 - £60,000 (2013 £30,000 - £35,000)
D Blackledge - Staff Governor	£50,000 - £55,000 (2013 £30,000 - £35,000)
E Webster - Staff Governor	£15,000 - £20,000 (2013 £5,000 - £10,000)
A Blackburn - Staff Governor	£45,000 - £50,000 (2013 £25,000 - £30,000)
A Howden - Staff Governor	£nil - £5,000 (2013 £nil - £5,000)

The 2013 figures above are for the 7 month period to 31 August 2013. Other related party transactions involving the Governors are set out within the related parties note.

Governors' and officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was included in the total insurance cost.

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

11 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2013	3,472,000	-	-	3,472,000
Additions	-	3,562	15,309	18,871
At 31 August 2014	3,472,000	3,562	15,309	3,490,871
Depreciation				
At 1 September 2013	36,561	-	-	36,561
Charge for the year	62,676	262	2,845	65,783
At 31 August 2014	99,237	262	2,845	102,344
Net book value				
At 31 August 2014	3,372,763	3,300	12,464	3,388,527
At 31 August 2013	3,435,439	-	-	3,435,439

Leasehold land and buildings includes land at a value of £338,000 which is not depreciated.

12 Stocks

	2014 £	2013 £
School uniform	-	4,215

13 Debtors

	2014 £	2013 £
VAT recoverable	46,927	11,773
Other debtors	4,015	8,518
Prepayments and accrued income	94,769	47,552
	145,711	67,843

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

14	Creditors: amounts falling due within one year	2014	2013
		£	£
	Trade creditors	74,598	60,959
	Taxes and social security costs	5,806	43,060
	EFA creditors	-	43,065
	Accruals	100,480	42,513
	Deferred income	22,616	10,769
		<u>203,500</u>	<u>200,366</u>
15	Deferred income	2014	2013
		£	£
	Deferred income is included within:		
	Creditors due within one year	<u>22,616</u>	<u>10,769</u>
	Total deferred income at 1 September 2013	10,769	-
	Amounts credited to the statement of financial activities	(10,769)	-
	Amounts deferred in the year	<u>22,616</u>	<u>10,769</u>
	Total deferred income at 31 August 2014	<u><u>22,616</u></u>	<u><u>10,769</u></u>

At the balance sheet date the academy trust was holding funds received in advance for bikeability grant and school games organiser grants of £22,616, which cover the period from September 2014 to March 2015.

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

16 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant	6,468	1,634,104	(1,699,470)	58,898	-
Other DfE / EFA grants	8,793	215,156	(752,781)	562,475	33,643
Other government grants	-	58,411	(58,411)	-	-
Other restricted funds	1,297	27,208	(22,965)	-	5,540
	<u>16,558</u>	<u>1,934,879</u>	<u>(2,533,627)</u>	<u>621,373</u>	<u>39,183</u>
Funds excluding pensions	(487,000)	-	(45,000)	175,000	(357,000)
	<u>(470,442)</u>	<u>1,934,879</u>	<u>(2,578,627)</u>	<u>796,373</u>	<u>(317,817)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	562,475	-	(562,475)	-
Inherited fixed asset fund	3,435,439	-	(62,676)	-	3,372,763
Capital expenditure from GAG or other funds	-	-	(3,107)	18,871	15,764
	<u>3,435,439</u>	<u>562,475</u>	<u>(65,783)</u>	<u>(543,604)</u>	<u>3,388,527</u>
Total restricted funds	<u>2,964,997</u>	<u>2,497,354</u>	<u>(2,644,410)</u>	<u>252,769</u>	<u>3,070,710</u>
Unrestricted funds					
General funds	<u>193,691</u>	<u>61,394</u>	<u>(58,086)</u>	<u>(77,769)</u>	<u>119,230</u>
Total funds	<u>3,158,688</u>	<u>2,558,748</u>	<u>(2,702,496)</u>	<u>175,000</u>	<u>3,189,940</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

16 Funds

(Continued)

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

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

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants includes LEA funding for Special Educational Needs of £58,411, which was fully expended in the period.

Other restricted funds include contributions received for school trips and non public donations and the related expenditure.

The pension reserve represents the value of the School's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited in conversion was £476,000, and had fallen to £357,000 at 31 August 2014.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other capital grants during the period. Depreciation is charged against the fund.

17 Analysis of net assets between funds

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£		£	£
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	3,388,527	3,388,527
Current assets	119,230	242,683	-	361,913
Creditors: amounts falling due within one year	-	(203,500)	-	(203,500)
Defined benefit pension liability	-	(357,000)	-	(357,000)
	<u>119,230</u>	<u>(317,817)</u>	<u>3,388,527</u>	<u>3,189,940</u>

18 Commitments under operating leases

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

	2014 £	2013 £
Expiry date:		
- Within one year	1,671	18,293
- Between two and five years	17,738	20,280
	<u>19,409</u>	<u>38,573</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

19 Capital commitments

	2014	2013
	£	£
At 31 August 2014 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	89,286	-

20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014	7 months ended 31 August 2013
	£	£
Net income	(143,748)	3,154,688
Capital grants and similar income	(562,475)	(8,793)
Capital grants expenditure	562,475	8,793
Net deficit/(surplus) transferred on conversion	-	(3,185,748)
Investment income	(549)	(159)
FRS17 pension costs less contributions payable	25,000	3,000
FRS17 pension finance income	20,000	12,000
Depreciation of tangible fixed assets	65,783	36,561
(Increase)/decrease in stocks	4,215	(4,215)
(Increase)/decrease in debtors	(77,868)	(67,843)
Increase/(decrease) in creditors	3,134	200,366
Net cash inflow/(outflow) from operating activities	(104,033)	148,650

21 Reconciliation of net cash flow to movement in net funds

	2014	7 months ended 31 August 2013
	£	£
Increase/(decrease) in cash	(122,355)	338,557
Net funds at 1 September 2013	338,557	-
Net funds at 31 August 2014	216,202	338,557

22 Analysis of net funds

	At 1 September 2013	Cash flows	Non-cash changes	At 31 August 2014
	£	£	£	£
Cash at bank and in hand	338,557	(122,355)	-	216,202

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

23 Contingent liabilities

There were no contingent liabilities at 31 August 2014.

24 Members' liability

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

25 Pensions and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lancashire 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.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

25 Pensions and similar obligations

(Continued)

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 since April 2012 on a 40:80:100 percent basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.5 per cent for employers and 6.8 per cent for employees. The estimated value of employer contributions for the forthcoming year is £12100. Based on the latest actuarial report these are due to increase at 4% per annum over the next 3 years. The deficit contributions will be reviewed following the next triennial valuation in 2016.

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.

	2014	2013
	£	£
Employer's contributions (rounded)	49,000	34,000
Employees' contributions (rounded)	16,000	11,000
	<u>65,000</u>	<u>45,000</u>
Total contributions	<u>65,000</u>	<u>45,000</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

25 Pensions and similar obligations

(Continued)

Principal actuarial assumptions

	2014	2013
	%	%
Rate of increase in salaries	3.7	4.4
Rate of increase for pensions in payment	2.2	2.4
Discount rate for scheme liabilities	4.0	4.6
Inflation assumption (CPI)	2.2	2.4

The sensitivity of the scheme liabilities, and therefore the net deficit, at 31 August 2014 to changes in the principal assumptions used to measure scheme liabilities are as follows:

	As recognised in accounts	Sensitivity 1	Sensitivity 2	Sensitivity 3
		<i>+0.1%p.a. discount rate</i>	<i>+0.1%p.a. inflation</i>	<i>1 year increase in life expectancy</i>
	£000	£000	£000	£000
Liabilities	788	769	807	802
Assets	(431)	(431)	(431)	(431)
Deficit	357	338	376	371

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

	2014	2013
	Years	Years
Retiring today		
- Males	22.8	22.1
- Females	25.3	24.8
Retiring in 20 years		
- Males	25.0	23.9
- Females	27.7	26.7

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

25 Pensions and similar obligations

(Continued)

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

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	7.0	214,000	7.0	114,000
Government bonds	2.9	1,000	3.4	15,000
Other bonds	3.8	115,000	4.4	46,000
Cash	0.5	10,000	0.5	10,000
Property	6.2	41,000	5.7	18,000
Other assets	7.0	50,000	7.0	18,000
		<u>431,000</u>		<u>221,000</u>
Total market value of assets		431,000		221,000
Present value of scheme liabilities - funded		(788,000)		(708,000)
		<u>(357,000)</u>		<u>(487,000)</u>
Net pension asset / (liability)		(357,000)		(487,000)

The expected rate of return on plan assets is based on market expectations. The assumptions used to determine the expected rate are an average of the assumed market expectations appropriate to the individual asset classes weighted by the proportion of the assets in a particular class.

The actual return on scheme assets was £19,000 (2013: £10,000.).

Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
Financial expenditure/(income)		
Expected return on pension scheme assets	(14,000)	(6,000)
Interest on pension liabilities	34,000	18,000
	<u>20,000</u>	<u>12,000</u>
Other expenditure/(income)		
Current service cost	74,000	37,000
Past service cost	-	-
	<u>74,000</u>	<u>37,000</u>
Total operating charge/(income)	<u>94,000</u>	<u>49,000</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

25 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2014 £	2013 £
Actuarial (gains)/losses on assets: actual return less expected	(131,000)	(4,000)
Experience (gains)/losses on liabilities	(44,000)	-
(Gains)/losses arising from changes in assumptions	-	-
	<u>(175,000)</u>	<u>(4,000)</u>
Total (gains)/losses	<u>(175,000)</u>	<u>(4,000)</u>
Cumulative (gains)/losses to date	<u>(179,000)</u>	<u>(4,000)</u>

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

	2014 £	2013 £
Opening defined benefit obligations	(708,000)	-
Obligations acquired on conversion	-	(642,000)
Current service cost	(74,000)	(37,000)
Interest cost	(34,000)	(18,000)
Contributions by employees	(16,000)	(11,000)
Actuarial gains/(losses)	44,000	-
	<u>(788,000)</u>	<u>(708,000)</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	221,000	-
Assets acquired on conversion	-	166,000
Expected return on assets	14,000	6,000
Actuarial gains/(losses)	131,000	4,000
Contributions by employers	49,000	34,000
Contributions by employees	16,000	11,000
	<u>431,000</u>	<u>221,000</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

25 Pensions and similar obligations	(Continued)	
History of experience gains and losses:		
	2014	2013
	£	£
Present value of defined benefit obligations	(788,000)	(708,000)
Fair value of share of scheme assets	431,000	221,000
	<u> </u>	<u> </u>
Surplus / (deficit)	(357,000)	(487,000)
	<u> </u>	<u> </u>
Experience adjustment on scheme liabilities	44,000	-
Experience adjustment on scheme assets	131,000	4,000
	<u> </u>	<u> </u>

26 Related parties

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have 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.

No related party transactions took place in the period of account.