

Report of the Governors and
Financial Statements for the Year Ended
31 August 2014
for
Holmer Church Of England Academy

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

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for the Year Ended 31 August 2014

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Reference and Administrative Details
for the Year Ended 31 August 2014

MEMBERS

Mrs J R Cecil
Cllr P A Andrews (appointed 26.9.13)
P A Williams (resigned 25.12.13)
C Bramble
D F Langstaff (resigned 4.2.14)

Governors (Trustees)

C Bramble	Community	
Rev P Williams	Ex Officio	(Resigned December 2013)
D Langstaff	Foundation	(Resigned February 2014)
Mrs J Cecil	Head Teacher	
Cllr P Andrews	Local Authority	
Mrs R Vodden	Foundation	
Mrs A Griggs	Teacher	
Miss E Stackhouse	Non-teaching staff	
Mrs C Hartland	Foundation	
Mrs S Eckley	Parent	
A Banks	Parent	
Mrs J Maund	Co-opted	
C Pinches	Parent	
A Wibmer	Co-opted	
Mrs M Hillman	Foundation	(Appointed September 2013)
Rev S Lee	Ex Officio	(Appointed July 2014)

Members of Finance and General Purpose Committee

C Bramble	Community
Rev P Williams	Ex Officio
D Langstaff	Foundation
Mrs J Cecil	Head teacher
Cllr P Andrews	Local Authority
Mrs J Maund	Co-opted

Senior Management Team

Mrs J Cecil
Mrs J Maund
Miss A Begley
Mrs Z Jackson

REGISTERED OFFICE

Holmer Church Of England Academy
Holmer Road
Hereford

Reference and Administrative Details
for the Year Ended 31 August 2014

REGISTERED COMPANY NUMBER	7850551 (England and Wales)
SENIOR STATUTORY AUDITOR	Mr Kevin Tong FCCA ACA
AUDITORS	Thorne Widgey Accountancy Ltd Chartered Accountants Statutory Auditors 2 Wyevale Business Park Kings Acre Hereford Herefordshire HR4 7BS
SOLICITORS	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
BANKERS	Lloyds TSB 6 - 8 High Town Hereford

Report of the Governors
for the Year Ended 31 August 2014

The governors who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2014. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Company was incorporated on the 17 November 2011 and converted from a Local Authority School to an Academy Trust on the 1st December 2011.

The governors act as the trustees for the charitable activities of Holmer Church of England Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Holmer Church of England Academy.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on pages 1 and 2.

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

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

The liability insurance is provided by Zurich PLC and provides cover up to £1,000,000 (2013: £1,000,000) on any one claim.

Principal activities

This is defined in the Articles of Association.

Report of the Governors
for the Year Ended 31 August 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of Recruitment and Appointment or Election of Governors

This is defined in the Articles of Association:

The Members may appoint up to 6 Governors.

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one-third of the total number of Governors.

The LA may appoint the LA Governor.

The Principal shall be treated for all purposes as being an ex officio governor.

Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

The Governors may appoint up to 2 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one-third of the total number of Governors (including the Principal).

Policies and Procedures Adopted for the Induction and Training of Governors

The Academy has a Governor Recruitment and Induction policy.

The training and induction provided for new governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Organisational structure

The Academy has a leadership structure which consists of the governors and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

The governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Senior Management Team are the Joint-Headteachers and two Teaching Staff. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them.

Connected Organisations, including Related Party Relationships

The Academy liaises with the Local Authority and the Hereford Diocese.

Report of the Governors
for the Year Ended 31 August 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances. The governors have implemented a system of assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our aim is to help children realise their full potential by providing:

The highest quality education within the context of Christian belief

A happy and attractive environment which enables children to make the most of their opportunities and abilities

A caring and approachable staff and an ethos of concern for others and responsibility for our own actions

A broad, balanced, challenging and relevant curriculum which caters for the needs of individual children

Up-to-date learning materials, technology, teaching and learning experiences

We also aim to help our children develop:

An understanding of the Christian faith and promote Christian values for all pupils

Courtesy, good manners and consideration towards others

Relationships based on mutual respect and self-discipline

Lively minds, knowledge, understanding and a range of practical and mental skills

A love of books, pride in the quality of their work

Appreciation and interest in music, art and drama

Healthy bodies and physical skills in PE, swimming and games

Respect for the World in which we live and concern for it and its dwindling resources

Independence and self-reliance

Objectives, Strategies and Activities

Key priorities for the year are contained in our school Improvement Plan which is available on our website or from the school office. Other key areas for development include:

- The redevelopment of the courtyard to make an area suitable for meetings with parents, break out groups and other informal uses.

- We will also be increasing the security of the main entrance and enlarging the main office area. - This is necessitated by the growth of the school population in recent years and the need for travel between the main part of the school and the Early years areas to be made simpler and more secure.

- Finally we will be improving the southern boundary by replacing the current fencing with a wall.

The School Improvement Plan identifies development areas such as the improvement of punctuality and attendance rates, ensuring that pupils attain and progress above the national average, the development of Governors' work in holding the school to account and the development of the school's curriculum to ensure it meets the needs of pupils for the next decade.

Report of the Governors
for the Year Ended 31 August 2014

OBJECTIVES AND ACTIVITIES

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

ACHIEVEMENT AND PERFORMANCE

Achievements and Performance

The Academy is in its third year of performance and has continued to increase in size. Over the last three years the Academy has admitted close to a full complement of 60 pupils. As smaller cohorts leave year 6 the size of the academy has increased with 364 pupils on role in September 2014, an increase from 355 in September 2013.

A new statutory assessment within the foundation stage was introduced for the end of the EYFS in 2013. In 2014 The Academy's attainment resulted in 61.7% of pupils attaining a good level of development (an increase from 56.7% in 2013) and broadly inline with national figures. The Academy tracked the progress pupils made from their point of entry and the average progress was a 4.77 points across all seventeen areas of development. The table below shows the percentage of pupils attaining a good level of development (GLD) in each of the areas in 2013 and 2014.

	GLD 2013	GLD 2014	Area
Proportion at each aspect			
Listening and Attention	83.3%	82%	Prime C & L
Understanding	86.7%	85%	Prime C & L
Speaking	86.7%	80%	Prime C & L
Health and Self awareness	98.3%	92%	Prime Ph Dev
Moving and Handling	93.3%	84%	Prime Ph Dev
Self-confidence	90.0%	82%	Prime Psed
Managing Feelings	93.3%	73%	Prime Psed
Making Relationship	91.7%	90%	Prime Psed
Reading	93.3%	85%	Literacy
Writing	63.3%	68%	Literacy
Numbers	70.0%	72%	Maths
Shapes, Space and Measure	81.7%	83%	Maths
People and Communities	91.7%	88%	World
The World	93.3%	90%	World
Technology	95.0%	88%	World
Exploring and Using	90.0%	90%	Imagination
Being Imaginative	90.0%	90%	Imagination

The three year performance of the percentage of pupils passing the year 1 national phonics test is on an upward trend. In 2014, pupils in Year 1 attained well above national expectation. Five Year 2 pupils retook the screening test with three out of the five passing.

Phonics Screening Test	2012 % Pass	National 2012	2013 % Pass	National 2013	2014 % Pass	National 2014
Year 1 Pupils	55%	58%	90%	69%	91%	74%
Year 2 Pupils	-	-	100%	85%	60%	66%

Report of the Governors
for the Year Ended 31 August 2014

In 2014 results in KS1 remained broadly in line with national averages for all areas. The three year trend shows an upward trend with an increase in overall attainment year on year. Attainment at the end of KS2 was above national averages in reading, writing, mathematics and significantly above national average in English grammar, punctuation and spelling. KS2 also shows an upward three year trend in achievement with there being a significant increase from 2013 to 2014. Progress in KS2 was in line with national average in 2014.

The results are as follows:

KS1	2012					
Achievement	L2+	2012 L3+	2013 L2+	2013 L3+	2014 L2+	2014 L3+
Reading	92%	18%	98%	25%	94%	29%
Writing	78%	85%	90%	13%	92%	13%
Mathematics	96%	9%	92%	15%	94%	15%

KS 2	2012	2012	2013	2013	2013	2014	2014	2014
Achievement	L4+	L5+	L4+	L5+	L6+	L4+	L5+	L6+
English	67%	46%						
Reading			92%	48%	0%	95%	47%	0%
Writing			92%	24%	0%	89%	32%	3%
Mathematics	75%	13%	80%	44%	0%	89%	52%	21%

Since 2013 no overall mark has been awarded for English as had been in previous years. Reading and Writing are now reported separately.

KS2 VA score 2014 All Subjects- 99.6 (2013 - 100)
KS2 APS score 2014 All Subjects - 29.6 (2013 - 28.4)

To ensure that achievement continues to remain above national averages in the academy and that all Pupil's make at least expected progress, with a significant amount of pupils making more than expected progress the Academy will:

- Monitor the progress of pupils each term
- Implement intervention and support for pupils who are not making expected progress focusing on identified areas of development within the academy
- Implement intervention and support for pupils who are attaining below age expected outcomes.
- Implement intervention and support for pupils who need to be challenged to attain the highest levels
- Monitor the attainment of all pupils
- Monitor the attainment and progress of significant groups of pupils with the academy

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key financial performance indicators

These are covered throughout the Governors' Report.

Report of the Governors
for the Year Ended 31 August 2014

FINANCIAL REVIEW

Financial Review

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the year ended 31 August 2014, total expenditure of £1,278,764 (2013: £1,119,660) was covered by recurrent grant funding from the DfES together with other incoming resources. The total net resources expended before transfers and revaluations for the year was £40,783 (2013: £850,022).

At 31 August 2014, the net book value of fixed assets was £2,169,834 (2013: 2,060,404) and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Financial and Risk Management Objectives and Policies

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

Principal Risks and Uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

Report of the Governors
for the Year Ended 31 August 2014

FINANCIAL REVIEW

Investment and Reserves policy and objectives

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £81,110 (2013: £64,456), all of which is free reserves. The level of general restricted reserves is £442,818 (2013: £370,226).

Any excess monies are put on short-term deposits to obtain the best returns possible.

FUTURE DEVELOPMENTS

The Academy will continue to improve the performance of its pupils at all levels and will continue to ensure that pupils have the best start to their education.

Increases in population will be up to the size of 420. This will occur within the next 5 years.

Full details of our plans for the immediate development of the school are in the School Improvement Plan.

AUDITORS

The auditors, Thorne Widgery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of governors on and signed on its behalf by:



.....
Cllr P A Andrews - Governor

4 12 14

Governance Statement
for the Year Ended 31 August 2014

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Holmer Church Of England Academy 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 of loss.

The board of the governors has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Holmer Church Of England Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors Responsibilities. The board of governors has formally met 5 times during the year. Attendance during the year at meetings of the board of governors was as follows:

		Meetings Attended	Out of a Possible
Trustee			
Mr C Bramble	Community	3	5
Rev S Lee	Ex Officio	1	1
Mrs M Hillman	Foundation	5	5
Mrs J Cecil	Head Teacher	5	5
Cllr P Andrews	Local Authority	5	5
Mrs R Vodden	Foundation	5	5
Mrs A Griggs	Teacher	5	5
Miss E Stackhouse	Non-teaching staff	4	5
Mrs C Hartland	Foundation	5	5
Mrs S Eckley	Parent	5	5
Mr A Banks	Parent	4	5
Mrs J Maund	Co-opted	5	5
Mr A Wibmer	Co-opted	5	5
Mr C Pinches	Parent	5	5

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Attendance at meetings in the year was as follows:

		Meetings Attended	Out of a Possible
Trustee			
Mrs J Cecil	Head Teacher	4	4
Mr C Bramble	Chairman	3	4
Miss E Stackhouse	Non-teaching staff	3	4
Cllr P Andrews	Governor	3	4
Mr C Pinches	Parent	4	4
Mr J Maund	Co-opted	4	4

Governance Statement
for the Year Ended 31 August 2014

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 charitable company 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 Holmer Church Of England Academy for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company'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 financial statements. This process is regularly reviewed by the board of governors.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body.
- regular reviews by the Finance and General Purposes 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 Andrew Banks, a Governor, 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.

Review of Effectiveness

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

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

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

Governance Statement
for the Year Ended 31 August 2014

Approved by order of the members of the board of trustees on 4 December 2014 and
signed on its behalf by:



.....
Cllr P A Andrews - Governor



.....
Mrs J R Cecil - Accounting Officer

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2014

As accounting officer of Holmer Church Of England Academy I have considered my responsibility to notify the charitable company board of governors 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 charitable company and the 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 charitable company board of governors are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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 board of governors and EFA.

I would like to refer to the related and connected party transactions highlighted in note 21 in the attached accounts.



.....
Mrs J Cecil - Accounting Officer

Date: 4/12/14.....

Statement of Governors Responsibilities
for the Year Ended 31 August 2014

The governors (who act as trustees of Holmer Church Of England Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

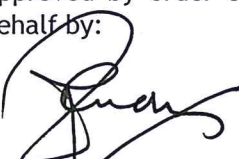
The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have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

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

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

Approved by order of the board of governors on 4 / 12 / 14 and signed on its behalf by:


.....
Cllr P A Andrews - Governor

We have audited the financial statements of Holmer Church Of England Academy for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency (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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the 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;
- have been prepared 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 Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.



Mr Kevin Tong FCCA ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:4/12/14.....

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

Respective responsibilities of Holmer Church Of England Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Holmer Church Of England Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 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 2013 to 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 matter 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 charitable company's income and expenditure.

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal procedures for establishing and maintaining systems of control and documentation regarding these matters

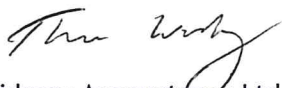
Independent Reporting Accountant's Assurance Report on Regularity to
Holmer Church Of England Academy and the Education Funding Agency

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 21 in the attached accounts.

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.



Thorne Widgery Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:4/12/14.....

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2014

	Notes	Unrestricted General fund £	Restricted Fixed Assets £	Restricted General Fund £	31.8.14 Total funds £	31.8.13 Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	3	-	7,668	26,582	34,250	726,999
Activities for generating funds	4	27,236	-	-	27,236	44,917
Investment income	5	556	-	-	556	591
Incoming resources from charitable activities						
Academy's educational operations	6	-	-	1,313,636	1,313,636	1,224,143
Total incoming resources		27,792	7,668	1,340,218	1,375,678	1,996,650
RESOURCES EXPENDED						
Charitable activities						
Academy's educational operations		11,138	54,131	1,247,093	1,312,362	1,137,915
Governance costs	9	-	-	22,533	22,533	8,713
Total resources expended	7	11,138	54,131	1,269,626	1,334,895	1,146,628
NET INCOMING RESOURCES BEFORE TRANSFERS						
		16,654	(46,463)	70,592	40,783	850,022
Gross transfers between funds						
	18	(69,890)	-	69,890	-	-
Net incoming/(outgoing) resources before other recognised gains and losses						
		(53,236)	(46,463)	140,482	40,783	850,022
Other recognised gains/losses						
Actuarial gains/losses on defined benefit schemes		-	-	(53,000)	(53,000)	4,000
Net movement in funds		(53,236)	(46,463)	87,482	(12,217)	854,022

The notes form part of these financial statements

Statement of Financial Activities - continued
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2014

	Notes	Unrestricted General fund £	Restricted Fixed Assets £	Restricted General Fund £	31.8.14 Total funds £	31.8.13 Total funds £
RECONCILIATION OF FUNDS						
Total funds brought forward		64,456	2,240,387	262,226	2,567,069	1,713,047
TOTAL FUNDS CARRIED FORWARD		11,220	2,193,924	349,708	2,554,852	2,567,069

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

Balance Sheet
At 31 August 2014

	Notes	31.8.14 £	31.8.13 £
FIXED ASSETS			
Tangible assets	13	2,169,834	2,060,404
CURRENT ASSETS			
Stocks		432	353
Debtors	14	54,364	59,342
Cash at bank and in hand		618,305	619,691
		<u>673,101</u>	<u>679,386</u>
CREDITORS			
Amounts falling due within one year	15	(125,083)	(64,721)
		<u>548,018</u>	<u>614,665</u>
NET CURRENT ASSETS			
		<u>548,018</u>	<u>614,665</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,717,852	2,675,069
PENSION LIABILITY	19	(163,000)	(108,000)
		<u>2,554,852</u>	<u>2,567,069</u>
NET ASSETS			
		<u>2,554,852</u>	<u>2,567,069</u>
FUNDS	18		
Unrestricted funds:			
Unrestricted General fund		11,220	64,456
Restricted funds:			
General Annual Grant		356,576	162,800
Other Restricted		148,328	207,426
Other DfE/EFA grants		7,804	-
Restricted Pension Fund		(163,000)	(108,000)
DfE/YPLA Capital Grants		732,524	760,466
Conversion and Depreciation		1,461,400	1,479,921
		<u>2,543,632</u>	<u>2,502,613</u>
TOTAL FUNDS		<u>2,554,852</u>	<u>2,567,069</u>

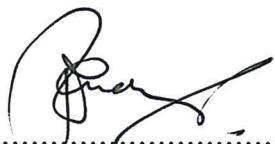
Balance Sheet - continued

At 31 August 2014

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

4. 12. 14

The financial statements were approved by the Board of Governors on
and were signed on its behalf by:



.....
Cllr P A Andrews -Governor

Cash Flow Statement
for the Year Ended 31 August 2014

		31.8.14 £	31.8.13 £
Net cash inflow from operating activities	Notes 1	153,951	130,564
Returns on investments and servicing of finance	2	556	591
Capital expenditure and financial investment	2	(155,893)	97,107
(Decrease)/increase in cash in the period		<u>(1,386)</u>	<u>228,262</u>
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/increase in cash in the period		<u>(1,386)</u>	<u>228,262</u>
Change in net debt resulting from cash flows		<u>(1,386)</u>	<u>228,262</u>
Movement in net debt in the period		(1,386)	228,262
Net debt at 1 September		<u>619,691</u>	<u>391,429</u>
Net debt at 31 August		<u>618,305</u>	<u>619,691</u>

Notes to the Cash Flow Statement
for the Year Ended 31 August 2014

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.8.14	31.8.13
	£	£
Net incoming resources	40,783	850,022
Depreciation charges	54,131	20,969
Capital grants from DfE/EFA	(7,668)	(680,593)
Interest received	(556)	(591)
Increase in stocks	(79)	(45)
Decrease/(increase) in debtors	4,978	(22,701)
Increase/(decrease) in creditors	60,362	(42,497)
Difference between pension charge and cash contributions	2,000	6,000
	<u>153,951</u>	<u>130,564</u>
Net cash inflow from operating activities	<u>153,951</u>	<u>130,564</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.8.14	31.8.13
	£	£
Returns on investments and servicing of finance		
Interest received	556	591
	<u>556</u>	<u>591</u>
Net cash inflow for returns on investments and servicing of finance	<u>556</u>	<u>591</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(163,561)	(583,486)
Capital grants from DfE/EFA	7,668	680,593
	<u>(155,893)</u>	<u>97,107</u>
Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(155,893)</u>	<u>97,107</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.13	Cash flow	At 31.8.14
	£	£	£
Net cash:			
Cash at bank and in hand	619,691	(1,386)	618,305
	<u>619,691</u>	<u>(1,386)</u>	<u>618,305</u>
Total	<u>619,691</u>	<u>(1,386)</u>	<u>618,305</u>

Notes to the Financial Statements
for the Year Ended 31 August 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

Sponsorship income

Sponsorship income provided to the Academy Trust 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.

Donations

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

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 Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust 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 Academy Trust's policies.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33.3% on cost

Assets in the course of construction are included at cost. Depreciation of 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.

Assets acquired at a cost over £1,000 are considered for capitalisation.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The Academy Trust 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education funding Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education funding Agency.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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 Trust 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 19, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust 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.

2. GENERAL ANNUAL GRANT

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.

3. VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
Grants	-	7,668	7,668	680,593
School trips etc	-	23,881	23,881	30,710
Other grants and payments	-	2,701	2,701	15,696
	<u>-</u>	<u>34,250</u>	<u>34,250</u>	<u>726,999</u>

Grants received, included in the above, are as follows:

	31.8.14 £	31.8.13 £
Capital Grant	<u>7,668</u>	<u>680,593</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
Room and building hire	4,536	-	4,536	4,176
Catering income	11,706	-	11,706	8,945
Sundry Income	10,994	-	10,994	8,616
Insurance claim	-	-	-	23,180
	<u>27,236</u>	<u>-</u>	<u>27,236</u>	<u>44,917</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
Deposit account interest	556	-	556	591
	<u>556</u>	<u>-</u>	<u>556</u>	<u>591</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	1,245,594	1,245,594	1,190,277
Other DfE/EFA Grants	-	59,582	59,582	31,474
	<u>-</u>	<u>1,305,176</u>	<u>1,305,176</u>	<u>1,221,751</u>
Other government grant				
Other Restricted	-	8,460	8,460	2,392
	<u>-</u>	<u>1,313,636</u>	<u>1,313,636</u>	<u>1,224,143</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

7. RESOURCES EXPENDED

				31.8.14	31.8.13
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other costs	£	£
		£	£		
Charitable activities					
Academies educational operations					
Direct costs	873,787	15,202	120,707	1,009,696	880,356
Allocated support costs	115,253	43,808	143,605	302,666	257,559
	<u>989,040</u>	<u>59,010</u>	<u>264,312</u>	<u>1,312,362</u>	<u>1,137,915</u>
 Governance costs including allocated support costs	 -	 -	 22,533	 22,533	 8,713
	<u>989,040</u>	<u>59,010</u>	<u>286,845</u>	<u>1,334,895</u>	<u>1,146,628</u>

Net resources are stated after charging/(crediting):

	31.8.14	31.8.13
	£	£
Auditors' remuneration	17,500	6,995
Depreciation - owned assets	54,131	20,969
Operating leases	612	1,535
	<u>72,243</u>	<u>29,509</u>

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	31.8.14 Total funds	31.8.13 Total funds
	£	£	£	£
Direct costs - academy's educational operations				
Teaching and educational support staff	-	873,787	873,787	750,116
Depreciation	-	15,202	15,202	15,202
Educational supplies	-	86,225	86,225	75,169
Staff development	-	10,861	10,861	8,276
Educational consultancy	-	21,621	21,621	25,593
Other direct costs	-	2,000	2,000	6,000
	<u>-</u>	<u>1,009,696</u>	<u>1,009,696</u>	<u>880,356</u>
 Allocated support costs - academy's educational operations				
Support staff costs	-	115,253	115,253	99,608
Depreciation	-	38,929	38,929	5,767
Recruitment and support	-	2,908	2,908	2,169
Maintenance of premises and equipment	-	46,505	46,505	67,354
	<u>-</u>	<u>193,595</u>	<u>193,595</u>	<u>174,838</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
Carried forward	-	203,595	203,595	174,898

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
Allocated support costs - academy's educational operations				
Brought forward	-	203,595	203,595	174,898
Cleaning	-	14,796	14,796	5,946
Rent and rates	-	4,733	4,733	3,823
Insurance	-	15,109	15,109	17,963
Catering	11,138	2,100	13,238	8,309
Other support costs	-	51,195	51,195	46,620
	<u>11,138</u>	<u>291,528</u>	<u>302,666</u>	<u>257,559</u>
	<u>11,138</u>	<u>1,301,224</u>	<u>1,312,362</u>	<u>1,137,915</u>

9. GOVERNANCE COSTS

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
Auditors' remuneration	-	17,500	17,500	6,995
Auditors' remuneration for non-audit work	-	-	-	2,813
Legal and professional fees	-	5,033	5,033	(1,095)
	<u>-</u>	<u>22,533</u>	<u>22,533</u>	<u>8,713</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

10. GOVERNORS' REMUNERATION AND BENEFITS

Headteacher and 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, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration was as follows:

		Salary (including) Ers NI and Pension 2014 £	Salary (including) Ers NI and Pension 2013 £
J Cecil	Headteacher	£85,000 - £90,000	£80,000 - £85,000
A Griggs	Staff Governor	£45,000 - £50,000	£40,000 - £45,000
E Stackhouse	Staff Governor	£15,000 - £20,000	£20,000 - £25,000
R J Maund	Staff Governor	£55,000 - £60,000	£50,000 - £55,000

During the year ended 31 August 2014, travel and subsistence expenses totalling £NIL were reimbursed to the governors.

Other related party transactions involving the trustees are set out in note 21.

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2014 nor for the year ended 31 August 2013.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

11. STAFF COSTS

	31.8.14	31.8.13
	£	£
Wages and salaries	822,965	717,176
Social security costs	48,658	44,387
Other pension costs	104,625	87,845
Supply teacher costs	976,248	849,408
	12,792	316
	<u>989,040</u>	<u>849,724</u>

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

	31.8.14	31.8.13
Teachers	16	13
Administration and support	16	14
Management	2	2
	<u>34</u>	<u>29</u>

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

	31.8.14	31.8.13
£70,001 - £80,000	1	1

One of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £9,865 (2013: £9,301).

12. 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 £1,000,000 (2013: £1,000,000) on any one claim and the cost for the year ended 31 August 2014 was £471 (2013: £457)

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 September 2013	1,499,684	557,598	19,291	19,361	2,095,934
Additions	-	67,589	29,685	66,287	163,561
At 31 August 2014	1,499,684	625,187	48,976	85,648	2,259,495
DEPRECIATION					
At 1 September 2013	26,604	-	6,106	2,820	35,530
Charge for year	15,202	11,843	8,684	18,402	54,131
At 31 August 2014	41,806	11,843	14,790	21,222	89,661
NET BOOK VALUE					
At 31 August 2014	1,457,878	613,344	34,186	64,426	2,169,834
At 31 August 2013	1,473,080	557,598	13,185	16,541	2,060,404

Included in cost or valuation of land and buildings is freehold land of £739,576

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.14 £	31.8.13 £
VAT	21,555	24,149
Prepayments and accrued income	32,809	35,193
	54,364	59,342

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.14	31.8.13
	£	£
Trade creditors	53,239	37,325
Social security and other taxes	28,156	24,307
Accruals and deferred income	43,688	3,089
	<u>125,083</u>	<u>64,721</u>

DEFERRED INCOME

	2014	2013
	£	£
Resources deferred in the year	<u>38,314</u>	<u>NIL</u>

Income has been deferred based on the period to which it relates

£4,708	(2013:	£NIL)	has been deferred in relation to Pupil Premium Income
£33,606	(2013:	£NIL)	has been deferred in relation to Universal Infant Free School Meals Revenue Income

16. MEMBERS' LIABILITY

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted General fund	Restricted Fixed Assets	Restricted General Fund	31.8.14 Total funds	31.8.13 Total funds
	£	£	£	£	£
Fixed assets	-	2,169,834	-	2,169,834	2,060,404
Current assets	-	14,649	658,452	673,101	679,386
Current liabilities	11,220	9,441	(145,744)	(125,083)	(64,721)
Pension liability	-	-	(163,000)	(163,000)	(108,000)
	<u>11,220</u>	<u>2,193,924</u>	<u>349,708</u>	<u>2,554,852</u>	<u>2,567,069</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

18. MOVEMENT IN FUNDS

	At 1.9.13 £	Net movement in funds £	Transfers between funds £	At 31.8.14 £
Unrestricted funds				
Unrestricted General fund	64,456	16,654	(69,890)	11,220
Restricted funds				
General Annual Grant	162,800	123,886	69,890	356,576
Other Restricted	207,426	(59,098)	-	148,328
Other DfE/EFA grants	-	7,804	-	7,804
Restricted Pension Fund	(108,000)	(55,000)	-	(163,000)
DfE/YPLA Capital Grants	760,466	(27,942)	-	732,524
Conversion and Depreciation	1,479,921	(18,521)	-	1,461,400
	2,502,613	(28,871)	69,890	2,543,632
TOTAL FUNDS	2,567,069	(12,217)	-	2,554,852

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted General fund	27,792	(11,138)	-	16,654
Restricted funds				
General Annual Grant	1,245,593	(1,121,707)	-	123,886
Other Restricted	35,043	(94,141)	-	(59,098)
Other DfE/EFA grants	59,582	(51,778)	-	7,804
DfE/YPLA Capital Grants	7,668	(35,610)	-	(27,942)
Restricted Pension Fund	-	(2,000)	(53,000)	(55,000)
Conversion and Depreciation	-	(18,521)	-	(18,521)
	1,347,886	(1,323,757)	(53,000)	(28,871)
TOTAL FUNDS	1,375,678	(1,334,895)	(53,000)	(12,217)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

19. PENSION 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 Worcestershire County Council. Both are defined-benefit schemes.

As described below the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

Contributions amount to £12,867 were payable to the schemes at 31 August 2014 and are included within creditors (2013: £11,496)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

19. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75% and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2014 to 31 March 2015, the employee contribution rate will range between 6.4% and 12.4%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2015-16 and 2016-17.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

19. PENSION AND SIMILAR OBLIGATIONS - continued

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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 and the implications for the Academy in terms of the anticipated contribution rates.

Local government pension scheme

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £21,525 (2013: £20,676), of which employer's contributions totalled £15,090 (2013: 14,747) and employees' contributions totalled £6,435 (2013: £5,929). The agreed contribution rates for future years are 10.8% for employers and between 5.5% and 12.5% for employees

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

As the scheme is in deficit, the School has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable over a six year period will be the Future Service Rate of 10.8% of payroll plus phased lump sum deficit contributions starting at £5,800 for the year to 31 March 2015, increasing by approximately 4% per annum. The rate payable from 1 April 2017 will be further revised following the next valuation of the Pension Fund on 31 March 2016.

The current estimated recovery period is 21 years.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.14	31.8.13
	£	£
Present value of funded obligations	(257,000)	(170,000)
Fair value of plan assets	94,000	62,000
	<u>(163,000)</u>	<u>(108,000)</u>
Deficit	<u>(163,000)</u>	<u>(108,000)</u>
Liability	<u><u>(163,000)</u></u>	<u><u>(108,000)</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.8.14	31.8.13
	£	£
Current service cost	19,000	16,000
Interest cost	9,000	7,000
Expected return	(5,000)	(2,000)
	<u>23,000</u>	<u>21,000</u>
Actual return on plan assets	<u>7,000</u>	<u>6,000</u>

Changes in the present value of the defined benefit obligations are as follows:

	Defined benefit pension plans	
	31.8.14	31.8.13
	£	£
Defined benefit obligation	(170,000)	(120,000)
Current service cost	(19,000)	(16,000)
Contributions by scheme participants	(9,000)	(6,000)
Interest cost	(7,000)	(7,000)
Actuarial losses/(gains)	(52,000)	-
Benefits paid	-	(21,000)
	<u>(257,000)</u>	<u>(170,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.14	31.8.13
	£	£
Fair value of scheme assets	62,000	14,000
Contributions by employer	21,000	15,000
Contributions by scheme participants	7,000	6,000
Expected return	5,000	2,000
Actuarial gains/(losses)	(1,000)	4,000
Benefits paid	-	21,000
	<u>94,000</u>	<u>62,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

		Defined benefit pension plans
	31.8.14	31.8.13
Equities	92.3%	90.2%
Bonds - Other	6.5%	6%
Cash/liquidity	1.2%	3.8%

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

	31.8.14	31.8.13
Rate of increase in salaries	3.7%	4%
Discount rate for scheme liabilities	4%	4.7%
Inflation assumption (CPI)	2.2%	2.5%
Rate of increase for pensions inpayment/inflation	2.2%	2.5%

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

	At 31 August 2014	At 31 August 2013
Retiring today		
Males	23.3	22.5
Females	25.7	25.0
Retiring in 20 years		
Males	25.5	24.3
Females	28.0	27.0

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

	31.8.14	31.8.13 as restated	31.8.12
	£	£	£
Defined benefit pension plans			
Defined benefit obligation	(257,000)	(170,000)	(120,000)
Fair value of scheme assets	94,000	62,000	14,000
Deficit	(163,000)	(108,000)	(106,000)
Experience adjustments on scheme liabilities	(18,000)	-	-
Experience adjustments on scheme assets	(1,000)	4,000	-

20. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2014

21. RELATED PARTY DISCLOSURES

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may 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.

During the 12 month period to 31 August 2014 payments totalling £36,169 (2013:£2,170) to Marches IT Services Ltd, a company in which A Wibmer is a director and shareholder, for the provision of IT Services.

During the 12 month period to 31 August 2014 payments totalling £NIL (2013:£488) to C Bramble, a governor, for the provision of gardening services.

During the 12 month period to 31 August 2014 payments totalling £600 (2013:£NIL) to T Cecil, the husband of J Cecil, a governor, for the provision of supply teaching services.

Holmer Church Of England Academy

Detailed Statement of Financial Activities for the Year Ended 31 August 2014

	31.8.14 £	31.8.13 £
INCOMING RESOURCES		
Voluntary income		
Grants	7,668	680,593
School trips etc	23,881	30,710
Other grants and payments	2,701	15,696
	34,250	726,999
Activities for generating funds		
Room and building hire	4,536	4,176
Catering income	11,706	8,945
Sundry Income	10,994	8,616
Insurance claim	-	23,180
	27,236	44,917
Investment income		
Deposit account interest	556	591
Incoming resources from charitable activities		
Grants	1,313,636	1,224,143
	1,375,678	1,996,650
RESOURCES EXPENDED		
Charitable activities		
Wages	722,833	626,624
Social security	45,379	41,272
Pensions	92,783	81,904
Supply teacher costs	12,792	316
Educational supplies	86,225	75,169
Staff development	10,861	8,276
Educational consultancy	21,621	25,593
Long leasehold	15,202	15,202
Expected return on pension scheme assets	2,000	6,000
	1,009,696	880,356
Governance costs		
Auditors' remuneration	17,500	6,995
Auditors' remuneration for non-audit work	-	2,813
Legal and professional fees	5,033	(1,095)
	22,533	8,713
Support costs		

This page does not form part of the statutory financial statements

Holmer Church Of England Academy

Detailed Statement of Financial Activities
for the Year Ended 31 August 2014

	31.8.14 £	31.8.13 £
Management		
Wages	100,132	90,552
Social security	3,279	3,115
Pensions	11,842	5,941
Recruitment and support	2,908	2,169
Maintenance of premises and equipment	46,505	67,354
Cleaning	14,796	5,946
Rent and rates	4,733	3,823
Insurance	15,109	17,963
Catering	13,238	8,309
Improvements to property	11,843	-
Fixtures and fittings	8,684	2,947
Computer equipment	18,402	2,820
Other costs	51,195	46,620
	302,666	257,559
Total resources expended	1,334,895	1,146,628
Net income	40,783	850,022