

REGISTERED COMPANY NUMBER: 07897243 (England and Wales)

**REPORT OF THE GOVERNORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014
FOR**

CRANFIELD CHURCH OF ENGLAND ACADEMY

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COMPANIES HOUSE

Wright Connections Limited
Registered Auditors
Bedford I-Lab
Priory Business Park
Stannard Way
Bedford
Bedfordshire
MK44 3RZ

CRANFIELD CHURCH OF ENGLAND ACADEMY

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FOR THE YEAR ENDED 31 AUGUST 2014**

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CRANFIELD CHURCH OF ENGLAND ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2014

MEMBERS

L Bray-Cotton
R E Wyatt
S A Brown

GOVERNORS

J M Farbon (Headteacher)
S A Brown (Chairman)
L Bray-Cotton (resigned 18.12.13)
R E Wyatt
A Watters (resigned 16.7.14)
C R Humphries (resigned 3.4.14)
K H Hales (Staff governor) (resigned 26.3.14)
I S Fan
H K Symes-Thompson
K Matthews
M J Davenport (Responsible Officer)
H L Perotto (resigned 18.12.13)
A Brabner
J Piatczany (Staff governor)
R M Knowles (appointed 18.12.13)
S M Olding (appointed 18.12.13)
D J Penfold (appointed 24.9.14)
R Ranger (appointed 18.12.13)
C Green (Staff governor) (appointed 2.7.14)

FINANCE COMMITTEE

Mr I S Fan
Mrs S Brown
Mr R Wyatt
Mrs A Brabner
Mr K Matthews

SENIOR LEADERSHIP TEAM

Headteacher	Joanna Farbon
Deputy Headteacher	Jo Dörner
EYFS Leader	Vicki Chew
KS1 Leader	Joseph Piatczany
KS2 Leader	Victoria Hill

COMPANY SECRETARY

J Warman

REGISTERED OFFICE

Court Road
Cranfield
Bedfordshire
MK43 0DR

REGISTERED COMPANY NUMBER

07897243 (England and Wales)

CRANFIELD CHURCH OF ENGLAND ACADEMY

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2014**

AUDITORS

Wright Connections Limited
Registered Auditors
Bedford I-Lab
Priory Business Park
Stannard Way
Bedford
Bedfordshire
MK44 3RZ

BANKERS

Lloyds Bank Plc
1 Legg Street
Chelmsford
Essex
CM1 1JS

CRANFIELD CHURCH OF ENGLAND ACADEMY

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 was incorporated on 4th January 2012 (and it opened as an academy on 1st February 2012) 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 trust.

The governors act as the trustees for the charitable activities of Cranfield 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 Cranfield Church of England Academy.

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

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 £10.00, for the debts and liabilities contracted before they cease to be a member.

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the academy'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, 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.

Principal activities

The principal activity of the academy is to provide free education for pupils of different abilities between the ages of 4 to 9.

CRANFIELD CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of recruitment and appointment or election of Governors

As set out in its articles of association the number of governors shall not be less than 3 nor more than 15.

In accordance with its articles of association and funding agreement, the academy's governing body comprises of the Headteacher, 4 founding members, 4 parent governors, 2 staff governors, 3 foundation governors and 3 other governors.

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of governor, any governor can be re-appointed or re-elected.

When appointing new governors, the board will give consideration to the skills and experience mix of existing governors in order to ensure that the board has the necessary skills to contribute fully to the academy's development. An annual skills' audit is undertaken by all governors to highlight strengths and areas for development. governor training will be targeted at those areas where additional skills are required, and recruitment of new governors will look to address any gaps in the mix of expertise.

The Diocesan Board of England, Parochial Church Council of Cranfield and Secretary of State are able to appoint governors in accordance with the terms as stated in the articles of association.

Policies and Procedures adopted for the Induction and Training of Governors

The academy has a governor protocol and handbook laying out its expectations, which are available from the clerk to the governors

The training and induction provided for new governors will depend upon their existing experience but would always include a tour of the academy and a chance to meet staff and pupils. All governors are provided with electronic copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. New governors attend an induction with the Headteacher and chair of governors. Advantage is taken of specific courses offered by the Local Authority and other bodies.

CRANFIELD CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The board of governors has devolved responsibility for day to day management of the academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, EYFS, KS1 and KS2 Leaders. The SLT implement the policies laid down by the governors and report back to them on performance.

The Headteacher is the Accounting Officer.

The board of governors normally meets once each term. The board establishes an overall framework for the governance of the academy and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are five sub committees of the full board. Full details of their membership and responsibilities can be found in the Governance Statement.

In addition to these committees, in 2014 following a future planning session, two additional working parties were established to take forward areas of strategic priority for the academy. These parties were concerned with:

- The organisation structure which will be required to support a 3 form entry, split site school, and succession planning to achieve both this structure and maintain it going forward into the future
- Income generation. As the Academy grows funds may be required to deliver projects to enhance both the physical environment of both sites and the learning opportunities available to all groups of pupils

The following decisions are reserved to the board of governors; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the chairman and/or vice chairman, to appoint the Headteacher, Deputy Headteacher and clerk to the governors, to approve the annual development plan and budget.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Cranfield Church of England Academy. There are no sponsors associated with the academy.

Risk management

The academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A risk register is maintained and reviewed on a regular basis.

The academy has an effective system of internal financial controls and this is explained in more detail in the academy's Financial Procedures Manual.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object and activity of the charitable company is the operation of Cranfield Church of England Academy to provide free education and care for pupils of different abilities between the ages of 4 and 9.

At Cranfield Church of England Academy we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our academy is a community in which children, staff and parents are part of a happy and caring environment.

CRANFIELD CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

Key priorities for the year are contained in our Whole School Objectives - the areas of focus identified for this year were:

- To embed outstanding teaching and learning practices to ensure Pupils' achieve their full potential
- To support outstanding teaching, learning and progress by responding to the New Curriculum Framework
- To develop and enhance the religious ethos at Cranfield
- To enhance teaching & learning within R.E to support good progress in Religious Education
- To grow leadership capacity in all areas across the Academy to proactively succession plan.

Governor monitoring throughout the year has indicated that objectives have been met and next steps identified where appropriate, to continue improvement or maintain standards in these areas.

The academy has continued to work towards a planned expansion of the school in response to housing developments within the village which will increase pupil numbers locally. Governors are working closely with the Local Authority and key stakeholders to outline the design for the new site which will continue to support the high level of achievement and progress for all pupils.

Public benefit

The governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities.

The academy aims to advance for the public benefit, education in Cranfield and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools, offering a broad curriculum.

Volunteers, Community Links and Involvements

A number of parent volunteers have been helping in the academy this year. Their commitment to the children and academy is inspirational. We also have particular high levels of involvement from the community, for example during our International Week, May 2014.

We have close links with the University of Bedfordshire and 3 student teachers undertook a placement with us. We also hosted a number of successful placements from Bedford College and work experience placements for school students and students preparing to go onto teacher training.

During the year, the academy's PTA charity fundraising activities raised £5,469. Total donations to the academy during the year ended 31 August 2014 amounted to £8,147. Of this £6,804 was used to purchase a trim trail playground equipment. The remainder was put towards an experience for Burwell House trip, Easter goods and the Year 4 leavers food and bouncy castle.

CRANFIELD CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

Achievement and performance

The academy, having converted on the 1st February, 2012, has been in operation for 31 months. The total number of pupils in the year ended 31 August 2014 was 278. Pupil numbers fluctuate during the year, in particular during October, when overseas families commence at Cranfield University. As a result the school experiences an unusually high level of pupil mobility, which has increased year-on-year for the past five years.

Attainment Achieved - Standards Summary

EYFS

Mobility was particularly high in this group. However, matched data when SEN pupils are accounted for indicates attainment was in line with or better than the national average. In addition, the majority of Pupil Premium pupils in this cohort met age-related outcomes in all areas.

Year 1

Attainment in this group exceeds national expectations and the 2013 average. The gap between girls' and boys' attainment is low in all areas, and the gap between those children in receipt of the Pupil Premium and those not has narrowed considerably. Attainment of Pupil Premium pupils was exceptional in Reading and Writing, and good in Numeracy.

Year 2

Overall attainment was in line with what was achieved in 2013. Matched data show good attainment for Reading and Writing and attainment in Numeracy was in line with the national average. The attainment of Pupil Premium pupils without any additional needs was exceptional and the gap between boys' and girls' attainment in line with the national picture.

The rate of progress for this year has risen since last year and was above the expected progress in all areas.

Year 3

Attainment in this cohort was very good compared to the national average in all subjects and exceptional in Reading and Numeracy. Matched attainment was exceptional in all areas. The gender gap in attainment reflects the national average, while the attainment of Pupil Premium pupils compared to the national average was good in Reading and Writing and exceptional in Numeracy.

Progress has been exceptional in all areas.

Year 4

The attainment of this year group was the highest it has been in three years and was significantly above the national average. Matched data indicated the attainment of matched pupils was exceptional. The gap between the attainment of girls and boys in Reading and Writing was narrower than the national picture, but wider for Numeracy, which reflects the Special Educational Needs of this particular cohort. Attainment of Pupil Premium pupils was significantly above the national average.

Matched progress was very good in all areas.

Performance data is analysed by the Senior Leadership Team (SLT) and shared with all staff who have an impact on pupil progress.

To ensure that standards are continually assessed, the academy operates a programme of lesson observations, which are undertaken by the SLT. In 2014 an external school improvement visit confirmed the lesson observation evaluations of the SLT.

CRANFIELD CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

Achievement and performance

Pupil Premium Grant (PPG) Allocation for 2013/14 Financial Year was £24,902

The PPG allocation for 2013/2014 was used for:

- Payment for Free School Meals
- Payment for Breakfast Club places
- Learning at home clubs Key Stage 1 and Key Stage 2
- Payment for independent Speech & Language Therapy
- Contributions to trips and visits
- High quality TA intervention for targeted support identified in pupil progress meetings
- Basic skills development group in EYFS
- Booster groups in Literacy and Mathematics
- Intervention groups in Literacy, Mathematics, Motor Skills and EAL
- Nessy intervention
- Social skills group
- Pets as Therapy

Pupil Premium expenditure and impact is closely monitored by the designated Pupil Premium governor. The governor has concluded that funds have been taken full advantage of for both academic and social reasons this year. Data has been analysed and indicates that the gap in attainment and progress between those pupils receiving pupil premium funding and those not, has narrowed in many cases or is in line with national expectations, and attainment was in many cases good or exceptional.

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 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

No key financial performance indicators have been set by the governors, beyond the requirement that the financial position should remain sufficient to fund future needs. The principal performance measures are non-financial, these are largely educational and pastoral.

Financial review

Reserves policy

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 governors take into consideration the future plans of the academy, the uncertainty over future income streams and other key risks identified during the risk review.

The governors are mindful of the need to designate unrestricted reserves to ensure monies are always available to purchase capital items and maintain the premises where grant monies/funding are not available. Please see the notes to the accounts for details of monetary amounts held at the Balance Sheet date.

Funds in deficit

The academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with further details shown in the notes to the financial statements.

The governors consider that the academy is able to meet its known annual contribution commitments for the foreseeable future, and believe there is minimal risk of this deficit crystallising in full in the foreseeable future.

CRANFIELD CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

Financial review

Principal funding sources

Most of the academy's income is obtained from the DfE via the EFA 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 income for school dinners, breakfast clubs and trips all of which are deemed unrestricted funds.

In 2013 - 14 the governors approved allocation of up to £15,000 from the carry forward from conversion to pay for a new reading scheme. This will impact on the attainment and progress pupils make in reading in all year groups. As at 31 August 2014 £13,885 had been spent.

Investment policy

Except for cash deposits at UK clearing banks, no form of investment has been authorised by the governors.

Principal risks and uncertainties

The principal risks and uncertainties facing the academy are as follows:

Financial - the academy has considerable reliance on continued Government funding through the EFA. There is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Reputational - the continuing success of the academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. However, fluctuation in pupil numbers from University families due to non-issue of visas is out of our control. To mitigate this risk governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the academy is reliant on the quality of its staff and so the governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning and sufficient budget.

Fraud and mismanagement of funds - The academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Procedures Manual.

The governors have assessed the major risks to which the academy is exposed and have formulated a Risk Register. The register is regularly reviewed in light of any new information and formally reviewed annually.

Financial and risk management objectives and policies

The board of governors recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability. However as the governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Key financial policies adopted or reviewed during the year include the Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the governors, Headteacher, SLT, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Salary Policy, Ant-Bribery Policy and Asset and Depreciation Policy.

CRANFIELD CHURCH OF ENGLAND ACADEMY

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

Plans for future periods

The academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The academy will continue to work with cluster schools to improve the educational opportunities for pupils in the wider community.

The academy will continue to work with Central Bedfordshire Council and St. Albans Diocese on the future expansion of the village and proposed increase in pupil numbers. The governing body will review the financial risks to the academy in order to make a decision on whether to go ahead with the expansion of the school into a three form entry, dual site school. Current timescales indicate this decision will need to be taken in early 2015 in order to open the new school building in September 2016. However, the timescales are dependent of progress of housing developments in the village and could therefore be subject to change.

It is intended to use unspent formula capital grant as at 31 August 14 together with the grant received in the year to 31 August 15 to replace the computer learning suite. No contracts have been entered into at the date of signing these financial statements.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The academy and its governors do not act as the Custodian Trustees of any other charity.

AUDITORS

In so far as the trustees are aware:

there is no relevant audit information of which the Charitable Company's auditor is unaware; and

the trustees 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.

Report of the governors, incorporating a strategic report, approved by order of the board of governors, as the company directors, on 11 December 2014 and signed on the board's behalf by:

S A Brown - Chairman



CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Cranfield 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 Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cranfield 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:

Name	Meetings attended	Out of a possible
J M Farbon	5	5
S Brown	5	5
K Matthews	5	5
H Symes Thompson	5	5
I S Fan	4	5
L Bray-Cotton	1	2
R Wyatt	5	5
A Watters	1	5
M Davenport	5	5
K Hales	3	3
C Humphries	2	3
A Brabner	5	5
H Perotto	2	2
J Piatczanyn	5	5
R Knowles	4	4
R Ranger	4	4
S Olding	2	4
C Green	2	2

There are five committees as follows (a detailed list of the committee roles is available in the Terms of Reference):-

Finance committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget. Members of this committee for the year were Mr I S Fan, Mrs S Brown, Mr R Wyatt, Mrs A Brabner and Mr K Matthews.

Curriculum and Standards committee - this meets once a term to monitor, evaluate and review academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues. Members of this committee for the year were Mrs A Brabner, Mr J Piatczanyn, Mr I S Fan, Mr S Olding, Mr H Perotto and Mrs C Green.

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

Buildings committee- this meets once a term to take a proactive role in the development of the site and accommodation and examine value for money and cost effectiveness. It also oversees health and safety issues to ensure compliance with requirements under legislation and monitors the schools health and safety and disability arrangements. Members of this committee for the year were Mr R Wyatt, Mr A Watters, Mrs K Hales, Mr M Davenport, Mr R Knowles and Mrs S Brown.

HR committee - this meets once a term to ensure that recruitment of staff endorses local and national guidelines in respect of equal opportunities criteria. It establishes procedures and principles for internal and external appointments and oversees the staffing structure making appropriate recommendations (annually). It recommends staff salaries, undertakes annual reviews and recommends the pay policy to the FGB. Members of this committee for the year were Mr K Matthews, Rev H Symes-Thompson, Ms L Bray-Cotton, Mr R Ranger, Dr C Humphries and Mrs S Brown.

Headteacher Performance Management committee - this committee agrees the performance management objectives with the Headteacher and monitors progress against these. In accordance with the Performance Management Policy, the committee is advised by an external expert. In this year Mr Bob Hopcroft was appointed to this role. Members of this committee for the year were Mr K Matthews, Mr A Watters and Mrs S Brown.

The Headteacher is an ex officio member of all the above committees except for the Headteacher Performance Management committee.

The Finance committee met four times during the year and attendance was as follows:

Name	Meetings attended	Out of a possible
J M Farbon	4	4
S Brown	4	4
K Matthews	3	4
I S Fan	4	4
R Wyatt	4	4
M Davenport (as Responsible Officer)	4	4
A Brabner	4	4

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 Cranfield 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'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:

CRANFIELD CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

The Risk and Control Framework

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 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 Michael Davenport, a governor who is not a member of the finance committee, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. The RO is also supported by the external auditors in this role.

The RO function has been fully delivered in line with the EFA's requirements. No material control issues arising as a result of the RO's work have been identified.

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:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process

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

Approved by order of the members of the board of trustees on 11 December 2014 and signed on its behalf by:



S A Brown - Chairman



J M Farbon - Accounting Officer

CRANFIELD CHURCH OF ENGLAND ACADEMY
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014

As accounting officer of Cranfield 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.



J M Farbon - Accounting Officer

11 December 2014

CRANFIELD CHURCH OF ENGLAND ACADEMY
STATEMENT OF GOVERNORS RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2014

The governors (who act as trustees of Cranfield 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy'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 11 December 2014 and signed on it's behalf by:

S A Brown - Chairman



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CRANFIELD CHURCH OF ENGLAND ACADEMY

We have audited the financial statements of Cranfield Church of England Academy for the year ended 31 August 2014 on pages twenty to forty two. 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 set out on page fifteen, 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

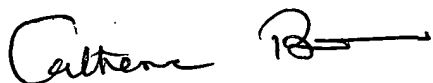
In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CRANFIELD CHURCH OF ENGLAND ACADEMY**

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.



Catherine Brown BA FCA (Senior Statutory Auditor)
for and on behalf of Wright Connections Limited
Registered Auditors
Bedford I-Lab
Priory Business Park
Stannard Way
Bedford
Bedfordshire
MK44 3RZ

11 December 2014

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CRANFIELD CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 16 July 2014 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 Cranfield 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 Cranfield 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 Cranfield 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 Cranfield Church of England Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Cranfield Church of England Academy's funding agreement with the Secretary of State for Education dated 1 February 2012 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 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.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CRANFIELD CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY**

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.

Wright Connections Limited

Wright Connections Limited
Bedford I-Lab
Priory Business Park
Stannard Way
Bedford
Bedfordshire
MK44 3RZ

11 December 2014

CRANFIELD CHURCH OF ENGLAND ACADEMY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2014**

				31.8.14	31.8.13
		Unrestricted funds £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
	Not es				Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	2,539	104	6,805	9,448
Activities for generating funds	3	12,069	-	-	12,069
Investment income	4	172	-	-	172
Incoming resources from charitable activities					
Academy's educational operations	5	52,337	969,438	59,605	1,081,380
Other incoming resources	6	-	3,825	-	3,825
Total incoming resources		67,117	973,367	66,410	1,106,894
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	8	7,319	-	-	7,319
Charitable activities					
Academy's educational operations		71,349	960,325	44,621	1,076,295
Governance costs	10	-	11,933	-	11,933
Other resources expended		74	-	-	74
Total resources expended	7	78,742	972,258	44,621	1,095,621
NET INCOMING/(OUTGOING) RESOURCES					
		(11,625)	1,109	21,789	11,273
Gross transfers between funds					
	21	-	(1,100)	1,100	-
Net incoming/(outgoing) resources before other recognised gains and losses					
		(11,625)	9	22,889	11,273
Other recognised gains/losses					
Actuarial (losses) gains on defined benefit pension schemes		-	(30,000)	-	(30,000)
Net movement in funds		(11,625)	(29,991)	22,889	(18,727)

The notes form part of these financial statements

CRANFIELD CHURCH OF ENGLAND ACADEMY
STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

					31.8.14	31.8.13
	Not es	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £	Total funds £
RECONCILIATION OF FUNDS						
Total funds brought forward		72,981	(76,000)	1,699,947	1,696,928	1,686,479
TOTAL FUNDS CARRIED FORWARD		<u>61,356</u>	<u>(105,991)</u>	<u>1,722,836</u>	<u>1,678,201</u>	<u>1,696,928</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

CRANFIELD CHURCH OF ENGLAND ACADEMY
REGISTERED COMPANY NUMBER: 07897243 (England and Wales)

BALANCE SHEET
AT 31 AUGUST 2014

	Not es	31.8.14 £	31.8.13 £
FIXED ASSETS			
Tangible assets	15	1,716,976	1,694,663
CURRENT ASSETS			
Debtors	16	36,411	41,309
Cash at bank and in hand		<u>101,784</u>	<u>123,433</u>
		138,195	164,742
CREDITORS			
Amounts falling due within one year	17	(68,970)	(86,477)
NET CURRENT ASSETS		<u>69,225</u>	<u>78,265</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,786,201	1,772,928
PENSION LIABILITY	22	(108,000)	(76,000)
NET ASSETS		<u><u>1,678,201</u></u>	<u><u>1,696,928</u></u>
FUNDS	21		
Unrestricted funds:			
General Funds		27,741	72,981
Electrical Testing Funds		7,500	-
Contingency Funds		25,000	-
Reading Scheme		<u>1,115</u>	<u>-</u>
		61,356	72,981
Restricted funds:			
Restricted General Funds		1,173	-
Pension Reserve		(108,000)	(76,000)
Restricted Fixed Asset Funds		1,722,836	1,699,947
Restricted PE Funds		<u>836</u>	<u>-</u>
		1,616,845	1,623,947
TOTAL FUNDS		<u><u>1,678,201</u></u>	<u><u>1,696,928</u></u>

The notes form part of these financial statements

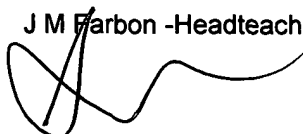
BALANCE SHEET - CONTINUED
AT 31 AUGUST 2014

The financial statements were approved by the Board of Governors on 11 December 2014 and were signed on its behalf by:

S A Brown -Chairman



J M Farbon -Headteacher



The notes form part of these financial statements

CRANFIELD CHURCH OF ENGLAND ACADEMY

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Notes	31.8.14 £	31.8.13 £
Net cash (outflow)/inflow from operating activities	24	(30,593)	8,664
Returns on investments and servicing of finance	25	172	343
Capital expenditure and financial investment	25	8,772	255
(Decrease)/increase in cash in the period		<u>(21,649)</u>	<u>9,262</u>
Reconciliation of net cash flow to movement in net debt	26		
(Decrease)/increase in cash in the period		<u>(21,649)</u>	<u>9,262</u>
Change in net debt resulting from cash flows		<u>(21,649)</u>	<u>9,262</u>
Movement in net debt in the period		(21,649)	9,262
Net debt at 1 September		<u>123,433</u>	<u>114,171</u>
Net debt at 31 August		<u>101,784</u>	<u>123,433</u>

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements 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.

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 financial statements.

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.

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 are recognised at an estimate of their gross 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 academy's policies.

CRANFIELD CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES - continued

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.

All resources expended are inclusive of irrecoverable VAT.

Cost 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 governor's meetings and reimbursed expenses.

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% on cost

Assets costing £500 need to be considered for capitalisation and any individual items with a cost of over £2,000 must be 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.

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.

CRANFIELD CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES - continued

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.

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 are to be applied to specific capital purposes imposed by the Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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.

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

1. ACCOUNTING POLICIES - continued

Conversion to an academy

The conversion from a state maintained school to an academy trust 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 Cranfield Lower School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value 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 Cranfield Church of England Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

2. VOLUNTARY INCOME

	31.8.14	31.8.13
	£	£
Donations	<u>9,448</u>	<u>6,799</u>

3. ACTIVITIES FOR GENERATING FUNDS

	31.8.14	31.8.13
	£	£
Fundraising events	-	659
Sale of goods including uniform	4,171	4,090
Training	3,730	-
Lettings	<u>4,168</u>	<u>3,409</u>
	<u>12,069</u>	<u>8,158</u>

4. INVESTMENT INCOME

	31.8.14	31.8.13
	£	£
Deposit account interest	<u>172</u>	<u>343</u>

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

	Unrestricted funds	Restricted funds	31.8.14 Total funds	31.8.13 Total funds
	£	£	£	£
Other income for charitable activities	52,337	-	52,337	43,103
Funding for academy's educational operations	<u>-</u>	<u>1,029,043</u>	<u>1,029,043</u>	<u>1,046,216</u>
	<u>52,337</u>	<u>1,029,043</u>	<u>1,081,380</u>	<u>1,089,319</u>

CRANFIELD CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

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

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
DfE/EFA revenue grant				
PE Grant	-	9,135	9,135	-
General Annual Grant	-	899,479	899,479	900,819
Other DfE/EFA grants	-	600	600	4,300
Capital grants	-	59,605	59,605	63,678
GAG Pupil Premium	-	24,902	24,902	25,428
Grants from Local Authority	-	35,322	35,322	51,991
	-	1,029,043	1,029,043	1,046,216

6. OTHER INCOMING RESOURCES

	31.8.14 £	31.8.13 £
Insurance proceeds	<u>3,825</u>	<u>16,822</u>

Other incoming resources relate to monies received from insurance policies in respect of long term absence of staff.

CRANFIELD CHURCH OF ENGLAND ACADEMY
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	£	£
		£	£		
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	-	-	7,319	7,319	2,718
Charitable activities					
Academies educational operations					
Direct costs	747,520	-	85,402	832,922	839,175
Allocated support costs	120,104	76,858	46,411	243,373	243,889
	867,624	76,858	139,132	1,083,614	1,085,782
Governance costs including allocated support costs	-	-	11,933	11,933	25,741
	<u>867,624</u>	<u>76,858</u>	<u>151,065</u>	<u>1,095,547</u>	<u>1,111,523</u>

Net resources are stated after charging/(crediting):

	31.8.14	31.8.13
	£	£
Auditors' remuneration	4,500	3,000
Auditors' remuneration for non-audit work	5,581	6,919
Depreciation - owned assets	35,324	32,419
Other operating leases	<u>12,912</u>	<u>13,938</u>

8. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	31.8.14	31.8.13
	£	£
Purchases	<u>7,319</u>	<u>2,718</u>

9. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

	31.8.14	31.8.13
	£	£
Direct costs - academy's educational operations		
Teaching and educational support staff	747,520	761,984
Depreciation	6,697	6,198
Educational supplies	39,245	28,079
Staff development	<u>4,066</u>	<u>6,954</u>
Carried forward	797,528	803,215

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

9. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - continued

	31.8.14	31.8.13
	£	£
Direct costs - academy's educational operations		
Brought forward	797,528	803,215
Educational consultancy	2,000	850
Educational trips	13,330	11,027
LTA Staff insurance	7,152	7,145
Other direct costs	<u>12,912</u>	<u>16,938</u>
	832,922	839,175
 Allocated support costs - academy's educational operations		
Support staff costs	120,104	115,906
Depreciation	28,626	26,221
Technology costs	7,976	6,645
Recruitment and support	430	4,322
Maintenance of premises and equipment	20,540	10,786
Cleaning	3,333	4,225
Rent and rates	5,707	6,336
Energy costs	14,281	15,794
Insurance	12,188	12,438
Catering	11,583	11,533
Other support costs	<u>18,605</u>	<u>29,683</u>
	<u>243,373</u>	<u>243,889</u>
	<u><u>1,076,295</u></u>	<u><u>1,083,064</u></u>

10. GOVERNANCE COSTS

	31.8.14	31.8.13
	£	£
Other governance costs	537	499
Auditors' remuneration	4,500	3,000
Auditors' remuneration for non-audit work	5,581	6,919
Cost of conversion	-	(2,147)
Church school service level agreement	715	690
Legal and professional	600	2,500
Exceptional items	<u>-</u>	<u>14,280</u>
	<u><u>11,933</u></u>	<u><u>25,741</u></u>

CRANFIELD CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

11. 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:

	31.8.14	31.8.13
J Farbon (Headteacher and Governor)	£55,000-£60,000	£50,000-£55,000
K Yuen (Acting Headteacher)	-	£30,000-£35,000
K Hales (Staff Governor)	£5,000-£10,000	£5,000-£10,000
G Hubbard (Staff Governor)	-	£10,000-£15,000
C Green (Staff Governor)	£1-£5,000	-
J Piatczany (Staff Governor)	£30,000-£35,000	£5,000-£10,000

Governors' expenses

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

12. STAFF COSTS

	31.8.14	31.8.13
	£	£
Wages and salaries	719,971	729,391
Social security costs	39,172	39,798
Other pension costs	108,481	108,701
	<u>867,624</u>	<u>877,890</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	13	13
Administration and support	18	19
	<u>31</u>	<u>32</u>

No employees received emoluments in excess of £60,000.

13. EXCEPTIONAL ITEMS

During the year to 31 August 2013 the academy spent £14,280 on a study to ascertain the feasibility of expanding our current site in comparison to the building of a new dual site. This would be to accommodate the expected increase in pupil numbers as a result of the known, approved house building within the village. Reimbursement was received from the local authority to cover these costs in full.

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

14. 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 on any one claim and the cost for the year ended 31 August 2014 was £259.

15. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2013	1,692,718	17,523	20,250	1,730,491
Additions	<u>47,970</u>	<u>9,127</u>	<u>540</u>	<u>57,637</u>
At 31 August 2014	<u>1,740,688</u>	<u>26,650</u>	<u>20,790</u>	<u>1,788,128</u>
 DEPRECIATION				
At 1 September 2013	22,400	4,413	9,015	35,828
Charge for year	<u>24,465</u>	<u>4,048</u>	<u>6,811</u>	<u>35,324</u>
At 31 August 2014	<u>46,865</u>	<u>8,461</u>	<u>15,826</u>	<u>71,152</u>
 NET BOOK VALUE				
At 31 August 2014	<u>1,693,823</u>	<u>18,189</u>	<u>4,964</u>	<u>1,716,976</u>
At 31 August 2013	<u>1,670,318</u>	<u>13,110</u>	<u>11,235</u>	<u>1,694,663</u>

Included in the cost or valuation of long leasehold is leasehold land of £515,000 (2013: - £515,000).

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.14	31.8.13
	£	£
Trade debtors	60	62
Other debtors	3,199	-
VAT	13,274	18,777
Prepayments and accrued income	<u>19,878</u>	<u>22,470</u>
	<u>36,411</u>	<u>41,309</u>

CRANFIELD CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.14	31.8.13
	£	£
Trade creditors	11,569	72,640
Other creditors	22	-
Accruals and deferred income	13,238	13,837
Deferred government grants	<u>44,141</u>	<u>-</u>
	<u>68,970</u>	<u>86,477</u>

Deferred government grants includes the following amounts that relate to the academic year commencing 1 September 2014.

	£
Universal free school meals	35,041
Pupil Premium	<u>9,100</u>
	<u>44,141</u>

18. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	31.8.13
	31.8.14	£
	£	£
Expiring:		
Between one and five years	<u>9,833</u>	<u>13,938</u>

19. 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 £10.00, for the debts and liabilities contracted before they cease to be a member.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	31.8.14	31.8.13
	Total funds	Total funds
	£	£
Unrestricted funds		
£		
Fixed assets	-	-
Current assets	62,302	67,404
Current liabilities	(946)	(65,395)
Pension liability	<u>-</u>	<u>(108,000)</u>
	<u>61,356</u>	<u>(105,991)</u>
Restricted Fixed Asset Funds		
£		
	1,716,976	8,489
	(2,629)	-
	<u>1,722,836</u>	<u>1,694,663</u>
	<u>1,678,201</u>	<u>1,696,928</u>

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

21. MOVEMENT IN FUNDS

	At 1.9.13 £	Net movement in funds £	Transfers between funds £	At 31.8.14 £
Unrestricted funds				
General Funds	72,981	2,260	(47,500)	27,741
Electrical Testing Funds	-	-	7,500	7,500
Contingency Funds	-	-	25,000	25,000
Reading Scheme	-	(13,885)	15,000	1,115
	<u>72,981</u>	<u>(11,625)</u>	<u>-</u>	<u>61,356</u>
Restricted funds				
Restricted General Funds	-	2,273	(1,100)	1,173
Pension Reserve	(76,000)	(32,000)	-	(108,000)
Restricted Fixed Asset Funds	1,699,947	21,789	1,100	1,722,836
Restricted PE Funds	-	836	-	836
	<u>1,623,947</u>	<u>(7,102)</u>	<u>-</u>	<u>1,616,845</u>
TOTAL FUNDS	<u>1,696,928</u>	<u>(18,727)</u>	<u>-</u>	<u>1,678,201</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Funds	67,117	(64,857)	-	2,260
Reading Scheme	-	(13,885)	-	(13,885)
	<u>67,117</u>	<u>(78,742)</u>	<u>-</u>	<u>(11,625)</u>
Restricted funds				
Restricted General Funds	964,232	(961,959)	-	2,273
Restricted Fixed Asset Funds	66,410	(44,621)	-	21,789
Restricted PE Funds	9,135	(8,299)	-	836
Pension Reserve	-	(2,000)	(30,000)	(32,000)
	<u>1,039,777</u>	<u>(1,016,879)</u>	<u>(30,000)</u>	<u>(7,102)</u>
TOTAL FUNDS	<u>1,106,894</u>	<u>(1,095,621)</u>	<u>(30,000)</u>	<u>(18,727)</u>

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 surplus of £1,173 on Restricted General Funds is in respect of unspent GAG as at 31 August 2014.

The Restricted Fixed Asset Funds includes £5,859 (2013: £10,502) of unspent formula capital grant.

CRANFIELD CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

21. MOVEMENT IN FUNDS - continued

Transfers between funds

The transfers within unrestricted funds during the year arose due to the decisions of the board of governors to set up three designated funds, one for major contingencies (which could include increased employer contributions in respect of the LGPS), one for electrical testing works which are due to be done every five years and one for the replacement of the reading scheme.

Funds used for these are from unspent monies transferred into the academy on its conversion.

The transfer within restricted funds reflects £1,100 of GAG which was used to purchase fixed assets during the year.

22. 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 Bedford Borough 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 was 31 March 2012 and of the LGPS 31 March 2013.

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

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

22. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

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

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

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

22. PENSION AND SIMILAR OBLIGATIONS - continued

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

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

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 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 £63,000, of which employer's contributions totalled £50,000 and employees' contributions totalled £13,000. The agreed contribution rates for future years are 18.4% for employers and between 5.5% and 7.8% for employees.

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

The amounts recognised in the balance sheet are as follows:

	Pension scheme liabilities	
	31.8.14	31.8.13
	£	£
Present value of funded obligations	(416,000)	(282,000)
Fair value of plan assets	<u>308,000</u>	<u>206,000</u>
	<u>(108,000)</u>	<u>(76,000)</u>
Deficit	<u>(108,000)</u>	<u>(76,000)</u>
Liability	<u>(108,000)</u>	<u>(76,000)</u>

CRANFIELD CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

22. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Pension scheme liabilities	
	31.8.14	31.8.13
	£	£
Current service cost	52,000	49,000
Interest cost	14,000	10,000
Expected return	<u>(14,000)</u>	<u>(7,000)</u>
	<u>52,000</u>	<u>52,000</u>
Actual return on plan assets	<u>27,000</u>	<u>16,000</u>

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

	Pension scheme liabilities	
	31.8.14	31.8.13
	£	£
Defined benefit obligation	(282,000)	(203,000)
Current service cost	(52,000)	(49,000)
Contributions by scheme participants	(13,000)	(13,000)
Interest cost	(14,000)	(10,000)
Actuarial losses/(gains)	<u>(55,000)</u>	<u>(7,000)</u>
	<u>(416,000)</u>	<u>(282,000)</u>

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

	Pension scheme liabilities	
	31.8.14	31.8.13
	£	£
Fair value of scheme assets	206,000	126,000
Contributions by employer	50,000	52,000
Contributions by scheme participants	13,000	13,000
Expected return	14,000	7,000
Actuarial gains/(losses)	<u>25,000</u>	<u>8,000</u>
	<u>308,000</u>	<u>206,000</u>

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

22. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Pension scheme liabilities	
	31.8.14	31.8.13
	£	£
Equities	212,000	145,000
Bonds	59,000	39,000
Property	28,000	16,000
Cash	<u>9,000</u>	<u>6,000</u>
	<u>308,000</u>	<u>206,000</u>

Breakdown of the expected return on assets by category:

Period ended	31 August 2014 % p.a	31 August 2013 % p.a
Equities	6.3%	6.6%
Bonds	3.3%	4.0%
Property	4.5%	4.7%
Cash	3.3%	3.6%

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

	31.8.14	31.8.13
Discount rate	3.7%	4.6%
Expected return on scheme assets	5.4%	5.9%
Future salary increases	3.5%	5.1%
Future pension increases	2.7%	2.8%

Mortality

Vita Curves with improvements in line with the CMI 2010 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% p.a.

Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	<u>Males</u>	<u>Females</u>
Current pensioners	22.4 years	24.3 years
Future pensioners *	24.4 years	26.8 years

* Figures assume members aged 45 as at the last formal valuation date.

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

	31.8.14	31.8.13	31.8.12
	£	as restated £	£
Pension scheme liabilities			
Defined benefit obligation	(416,000)	(282,000)	(203,000)
Fair value of scheme assets	308,000	206,000	126,000
Deficit	(108,000)	(76,000)	(77,000)
Experience adjustments on scheme liabilities	(29,000)	-	-
Experience adjustments on scheme assets	25,000	8,000	(1,000)

CRANFIELD CHURCH OF ENGLAND ACADEMY

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

22. PENSION AND SIMILAR OBLIGATIONS - continued

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £29,000 loss (2013: £1,000 gain).

The estimated employer's contributions for the period to 31 August 2015 will be approximately £40,000.

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
Change in assumptions at 31 August 2014:		
0.5% decrease in Real Discount Rate	13%	54
1 year increase in member life expectancy	3%	12
0.5% increase in the Salary Increase Rate	7%	28
0.5% increase in the Pension Increase Rate	6%	25

23. CAPITAL COMMITMENTS

	31.8.14	31.8.13
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>47,282</u>

24. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	31.8.14	31.8.13
	£	£
Net incoming resources	11,273	9,449
Depreciation charges	35,324	32,419
Capital grants from DfE/EFA	(59,605)	(63,678)
Interest received	(172)	(343)
Donations to purchase of fixed assets	(6,804)	-
FRS17 pension finance cost	-	3,000
Decrease in debtors	4,898	2,480
(Decrease)/increase in creditors	(17,507)	28,337
Difference between pension charge and cash contributions	<u>2,000</u>	<u>(3,000)</u>
Net cash (outflow)/inflow from operating activities	<u>(30,593)</u>	<u>8,664</u>

CRANFIELD CHURCH OF ENGLAND ACADEMY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2014

25. 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	<u>172</u>	<u>343</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>172</u></u>	<u><u>343</u></u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(57,637)	(63,423)
Capital grants from DfE	59,605	63,678
Capital funding from PTA	<u>6,804</u>	<u>-</u>
Net cash inflow for capital expenditure and financial investment	<u><u>8,772</u></u>	<u><u>255</u></u>

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.13	Cash flow	At 31.8.14
	£	£	£
Net cash:			
Cash at bank and in hand	123,433	(21,649)	101,784
	<u>123,433</u>	<u>(21,649)</u>	<u>101,784</u>
Total	<u><u>123,433</u></u>	<u><u>(21,649)</u></u>	<u><u>101,784</u></u>