

Registered number: 08060721

THE HENRY BOX SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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THE HENRY BOX SCHOOL
(A company limited by guarantee)

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

Trustees

R Bradley, Chair
P Currah, Vice Chair
G Armstrong
S Bryce (resigned 16 December 2013)
S Clarke
C Francis
M Franklin (appointed 16 December 2013)
C Hardie, Staff Trustee
W Hemmingsley, Headteacher and Accounting Officer
G Higgs
A Holmes
S Hunt, Staff Trustee
N Kaye
J Kerkhecker
Z Lanczak, Staff Trustee
H Marshall
P Maycock (appointed 21 January 2014)
M Perry
J Phipps
P Townsend (resigned 31 March 2014)

Company registered number

08060721

Principal and registered office

Church Green, Witney, Oxfordshire, OX28 4AX

Company secretary

I Bishop

Strategic leadership team

W Hemmingsley, Headteacher
D Bell, Deputy Headteacher
S Pritchard, Deputy Headteacher
A Jarrett, Assistant Headteacher
S Stewart, Assistant Headteacher
R Goddard, Assistant Headteacher
I Bishop, Business Manager

Independent auditor

James Cowper LLP, 2 Chawley Park, Cumnor Hill, Oxford, Oxfordshire, OX2 9GG

Bankers

Lloyds Bank Plc, 2 Market Square, Witney, Oxfordshire, OX28 5RD

Solicitors

Rickerbys LLP Solicitors, Ellenborough House, Wellington Street, Cheltenham, Gloucestershire, GL50 1YD

THE HENRY BOX SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors present their annual report together with the audited financial statements of the Henry Box School ('the School' or 'the charitable company') for the period 31 August 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School, which was incorporated on 8 May 2012 and opened as a School on 1 June 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 School.

The Governors act as the Trustees for the charitable activities of the School and are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

The Governors benefit from indemnity insurance purchased by the School to cover the liability of the Governors arising from negligent acts, errors or commissions occurring whilst on School business. The limit of this indemnity is £5,000,000.

Principal Activities

The principal activity of the School is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing a secondary school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

On 1 June 2012, the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed School. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The School shall have the following Governors as set out in its Articles of Association and Funding Agreement:

- up to 6 Parent Governors who are elected by the parents of registered students at the School;
- up to 3 Staff Governors appointed by the Members (provided that the total number of Governors, including the Headteacher, who are employees of the School, does not exceed one third of the total number of Governors);
- 1 Governor appointed by the Worshipful Company of Grocers;
- 1 Governor appointed by Oriel College, Oxford;
- up to 6 Governors to represent the local community who are appointed by the Board of Governors; and
- the Headteacher who is treated for all purposes as being an ex-officio Governor.

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 Governors, any Governors can be re-appointed or re-elected.

When appointing new Governors, the Board of Governors will give consideration to the skills and experience mix of existing Governors in order to ensure the Board of Governors has the necessary skills to contribute fully to the School's development.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the School and a chance to meet staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

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

Organisational Structure

The Board of Governors normally meets four times a year and in addition to these meetings holds an annual workshop. The Board of Governors establishes an overall framework for the governance of the School and determines membership, terms of reference and procedures of Committees of the Board of Governors 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 of Governors may from time to time establish working groups to perform specific tasks over a limited timescale.

There are four Committees of the Board of Governors as follows:

- Learning & Achievement
- Community & Ethos
- Finance & Resources
- Audit

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

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

The Governors have devolved the day-to-day management of the School to the Headteacher and the Strategic Leadership Team ('SLT'). The SLT comprises the Headteacher, Deputy Headteachers, Assistant Headteachers and the Business Manager. The SLT implement the policies laid down by the Governors and report back to them on performance.

Risk Management

The Governors have implemented a system (including a Risk Register) to assess risks that the School faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of the School. There are no sponsors associated with the School.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects of the School, as set out in its Articles of Association, are to:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- to promote for the benefit of the inhabitants of Witney and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The broad aims of the School are summarised below:

- To ensure that every student realises their potential in terms of high quality qualifications.
- To reveal and build character in our students to leave every one of them proud of their schooling and rich in memories.
- To ensure that every student leaving school is strong in literacy and numeracy, and has valuable life skills, as well as high personal standards and self-esteem.
- To ignite in our students a love of learning which will serve them well throughout their lives.

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

Objectives, Strategies and Activities

The key priorities for the period are contained in the School's Development Plan which is available from the Headteacher.

The main activities of the School for the period ended 31 August 2013 were focused as follows:

- To ensure that every student realises their potential in terms of high quality qualifications by improving the quality of teaching, marking, assessment and homework, and by reducing in school variation.
- To reveal and build character in our students to leave every one of them proud of their schooling and rich in memories by raising participation in enrichment activities, increasing student leadership opportunities and engaging and involving parents more.
- To ensure that every student leaving school is strong in literacy and numeracy, has valuable life skills, and high personal standards and self-esteem by designing and developing a curriculum that enables students to achieve beyond national expectations.
- To ignite in our students a love of learning which will serve them well throughout their lives by creating a learning culture for all members of the school community.

Public Benefit

The Governors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties.

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance

The School is in its second period of operation since conversion on 1 June 2012.

The total number of students as at the October 2014 census date was 1,291, of which 240 are sixth form students.

The School is committed to continual improvement which is achieved in a number of ways; including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

The particular achievements and performance of the School during the period ended 31 August 2014 were as follows:

GCSE Results

	All	Male	Female
Number of candidates	201	87	114
EBacc	29%	22%	34%
5A* - C (EM)	65%	55%	72%
5A* - C	71%	63%	77%
5A* - G	96%	95%	98%
3+A* - A	24%	21%	27%
Average Total Point Score per student	366	352	378
Average Capped Score	322	309	332

GCE Results

	*A/B grades	*A-C grades	*A-E grades
2014	53%	78%	99%
2013	52%	79%	99%
2012	52%	78%	99%
2011	56%	82%	100%

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

The School was subject to an Ofsted inspection in June 2013 and received an overall rating of Good, as well as individual judgements of Good in the categories of:

- Achievement of Students;
- Quality of Teaching;
- Behaviour and Safety of Students; and
- Leadership and Management.

Some key points from the report were:

- "Teaching is mainly good or outstanding and that is why progress is improving rapidly".
- Teachers have "high expectations of what students can do".
- "Students enjoy good relationships with each other and their teachers. They feel safe at school and say nothing worries them to prevent their learning".
- "The sixth form is well led. It provides a good range of academic courses that are taught well."
- "The Board of Governors is very well organised and has instigated a long-term plan for the development of the school."

Further details can be found on the School's website at www.henrybox.oxon.sch.uk.

Going Concern

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

Strategic report, including Key Performance Indicators

Although the School's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2014, the balance of the GAG Restricted Fund was £526,499 (2013: £334,363).

As the majority of the School's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census was 1,291.

FINANCIAL REVIEW

Financial Review

The majority of the School's income is received 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 period ended 31 August 2014 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The School also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2014, the total expenditure of £6,991,368 (2013: £8,507,540) was covered by the recurrent grant funding from the DfE, together with other incoming resources (excluding the net assets transferred on conversion from the Local Authority). The deficit of incoming resources over total expenditure for the period was £37,713 (2013: surplus £900,009).

In the prior year, land, buildings, other assets and the Local Government Pension Scheme deficit from the predecessor school were transferred to the School from the Local Authority on conversion. The total value of these net assets transferred on conversion, as included in the Statement of Financial Activities, were £18,596,826.

The net book value of fixed assets at 31 August 2014 were £19,064,681 (2013: £19,067,944), which includes the value of land and buildings transferred on conversion of £19,146,000 and depreciation charges for the period of £406,877 (2013: £460,938).

The fixed assets held by the School are used exclusively for providing education and associated support services to the students of the School.

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

The balance of total funds held at 31 August 2014 was £18,460,985 (2013: £18,824,698) which comprised the following:

Restricted Funds (excluding Pension Liability)	£528,499
Restricted Pension Liability Fund	(£1,763,000)
Restricted Fixed Asset Fund	£19,064,681
Unrestricted Funds	£630,805

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the School's financial management, including financial responsibilities of the Board of Governors, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

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 the Governors and include the financial risks to the School. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Governors have assessed the major risks to which the School is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Governors have ensured the School has adequate insurance cover.

Whilst the School is currently over subscribed, risks to revenue funding from a falling roll are small. However, the current freeze on the Governments overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health of the School formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors and Finance and Resources Committee meetings.

At the balance sheet date, the School had no significant liabilities arising from trade creditors or debtors where there would be significant effect on the School's liquidity.

The Governors recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the School. However, as the Governors consider the School is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Principal Risks and Uncertainties

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

Financial

The School has considerable reliance on continued Government funding through the EFA. In the period, approximately 95% of the School's incoming resources (excluding amounts transferred on conversion from the Local Authority and Fixed Asset Funds) was ultimately Government funded and whilst this level is expected to continue, 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.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the School's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Governors ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

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

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 School is reliant on the quality of its staff 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.

Fraud and mismanagement of funds

The School has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The School has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

Reserves Policy

The Governors review the reserve levels of the School annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors also take into consideration the future plans of the School, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate level of free cash reserves should be approximately 5% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The School's current level of reserves is £18,460,985 (2013: £18,824,698), of which £1,218,001 (2013: £900,009) is useable reserves (that is, total funds less the amount held in fixed assets and certain restricted funds).

Investment Policy

All funds are held on deposit with Lloyds Bank. Short term deposits where there is no risk to capital are made with funds that are surplus to immediate requirements from time to time in order to take advantage of interest rates higher than that payable on the current account.

PLANS FOR FUTURE PERIODS

The School strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

The School's plans for future periods are to become an outstanding school and to improve student outcomes through:

- Improving learning and teaching
- Increasing community engagement and improving ethos
- Personalising the curriculum through its design and development
- Developing a learning culture

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The School and its Governors do not act as Custodian Trustees of any other charity.

AUDITOR

In so far as the Governors are aware:

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

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

This report, incorporating the Strategic report, was approved by order of the Board of Governors, as the company directors, on 15 December 2014 and signed on the board's behalf by:

 15 Dec '14

.....
P Currah, Vice Chair
Governor

THE HENRY BOX SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that The Henry Box School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Henry Box School 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 Governors' Report and in the Governors' Responsibilities Statement. The Board of Governors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

	Meetings attended	Out of a possible
R Bradley, Chair	3	4
P Currah, Vice Chair	4	4
G Armstrong	4	4
S Bryce	1	2
S Clarke	4	4
C Francis	4	4
M Franklin	2	2
C Hardie, Staff Trustee	4	4
W Hemmingsley, Headteacher and Accounting Officer	4	4
G Higgs	2	4
A Holmes	4	4
S Hunt, Staff Trustee	3	4
N Kaye	3	4
J Kerkhecker	3	4
Z Lanczak, Staff Trustee	3	4
H Marshall	3	4
P Maycock	1	2
M Perry	4	4
J Phipps	4	4
P Townsend	3	3

Governance reviews:

The Finance and Resources Committee is a Committee of the Board of Governors. Its purpose is to provide guidance and assistance to the Board of Governors on all matters related to finance, resources, premises and Health & Safety of the School. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the EFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the School and of public funds.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
R Bradley, Chair	4	6
P Currah, Vice Chair	4	6
C Francis	6	6
C Hardie	4	5
A Holmes	3	6
N Kaye	3	6
J Kerkhecker	4	6
H Marshall	4	6
P Maycock	3	3
J Phipps	3	6

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Henry Box School for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided to appoint James Cowper as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual basis, the internal auditor reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

James Cowper has delivered their schedule of work and only minor issues have been raised. These have been addressed by the Governors and SLT on a timely basis. No significant weaknesses or discrepancies have been highlighted.

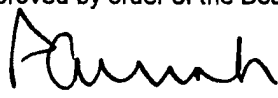
REVIEW OF EFFECTIVENESS

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

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

Approved by order of the Board of Governors on 15/12/14 and signed on their behalf by:


.....
P Currah, Vice Chair
Governor


.....
W Hemmingsley
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Henry Box School I have considered my responsibility to notify the academy 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 academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy Board of Governors are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2013).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and EFA.


.....
W Hemmingsley
Accounting Officer

Date: 15th Dec 2014

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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (who act as Trustees of The Henry Box School and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency..

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the Board of Governors on 15 December 2014 and signed on its behalf by:



.....
P Currah, Vice Chair
Governor

THE HENRY BOX SCHOOL
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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF THE HENRY BOX SCHOOL

We have audited the financial statements of The Henry Box School for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

UNQUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE HENRY BOX SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF THE HENRY BOX SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

MNFwell

Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper LLP

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

Oxfordshire

OX2 9GG

Date:

19/12/2014

THE HENRY BOX SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HENRY BOX SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 September 2013 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 The Henry Box School during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Henry Box School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Henry Box School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Henry Box School and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE HENRY BOX SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of The Henry Box School's funding agreement with the Secretary of State for Education dated 1 June 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 year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

THE HENRY BOX SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HENRY
BOX SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper LLP

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date:

19/12/2014

THE HENRY BOX SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	15 months Total funds 2013 £
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	834	2,000	7,193	10,027	18,682,560
Activities for generating funds	3	58,421	-	-	58,421	72,764
Investment income	4	6,795	-	-	6,795	1,278
Incoming resources from charitable activities	5	283,873	6,428,809	165,730	6,878,412	8,882,636
TOTAL INCOMING RESOURCES		349,923	6,430,809	172,923	6,953,655	27,639,238
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs		1,683	-	-	1,683	4,941
Charitable activities	6	224,384	6,299,888	435,628	6,959,900	8,469,162
Governance costs	7	-	29,785	-	29,785	33,437
TOTAL RESOURCES EXPENDED	8	226,067	6,329,673	435,628	6,991,368	8,507,540
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		123,856	101,136	(262,705)	(37,713)	19,131,698

THE HENRY BOX SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	15 months Total funds 2013 £
	Note					
Transfers between Funds	16	(58,697)	-	58,697	-	-
NET INCOME FOR THE PERIOD		65,159	101,136	(204,008)	(37,713)	19,131,698
Actuarial gains and losses on defined benefit pension schemes		-	(326,000)	-	(326,000)	(307,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		65,159	(224,864)	(204,008)	(363,713)	18,824,698
<i>Total funds at 1 September 2013</i>		<i>565,646</i>	<i>(1,009,637)</i>	<i>19,268,689</i>	<i>18,824,698</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		630,805	(1,234,501)	19,064,681	18,460,985	18,824,698

All activities relate to continuing operations. Comparative figures stated above are for a 15 month period.

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

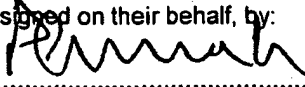
The notes on pages 22 to 41 form part of these financial statements.

THE HENRY BOX SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08060721

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	13		19,064,681		19,007,944
CURRENT ASSETS					
Debtors	14	143,688		290,560	
Cash at bank and in hand		1,395,620		1,298,451	
		<u>1,539,308</u>		<u>1,589,011</u>	
CREDITORS: amounts falling due within one year	15	(380,004)		(428,257)	
NET CURRENT ASSETS			<u>1,159,304</u>		<u>1,160,754</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>20,223,985</u>		<u>20,168,698</u>
Defined benefit pension scheme liability	21		(1,763,000)		(1,344,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>18,460,985</u></u>		<u><u>18,824,698</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	16	528,499		334,363	
Restricted fixed asset funds	16	19,064,681		19,268,689	
Restricted funds excluding pension liability		19,593,180		19,603,052	
Pension reserve		<u>(1,763,000)</u>		<u>(1,344,000)</u>	
Total restricted funds			<u>17,830,180</u>		<u>18,259,052</u>
Unrestricted funds	16		<u>630,805</u>		<u>565,646</u>
TOTAL FUNDS			<u><u>18,460,985</u></u>		<u><u>18,824,698</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 15 December 2014 and are signed on their behalf, by:


.....
P Currah, Vice Chair
Governor

The notes on pages 22 to 41 form part of these financial statements.

THE HENRY BOX SCHOOL
(A company limited by guarantee)

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

	Note	2014 £	2013 £
Net cash flow from operating activities	18	553,988	1,193,229
Returns on investments and servicing of finance	19	6,795	1,278
Capital expenditure and financial investment	19	(463,614)	(254,918)
Cash transferred on conversion to an academy trust		-	358,862
INCREASE IN CASH IN THE YEAR		<u><u>97,169</u></u>	<u><u>1,298,451</u></u>

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

	2014 £	2013 £
Increase in cash in the year	<u>97,169</u>	<u>1,298,451</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>97,169</u>	<u>1,298,451</u>
Net funds at 1 September 2013	<u>1,298,451</u>	<u>-</u>
NET FUNDS AT 31 AUGUST 2014	<u><u>1,395,620</u></u>	<u><u>1,298,451</u></u>

The notes on pages 22 to 39 form part of these financial statements.

THE HENRY BOX SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £1 per member of the academy.

1.3 Fund accounting

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

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

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

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

1.4 Incoming resources

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

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

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

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

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

THE HENRY BOX SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	2.5% Straight line
Motor vehicles	-	25% Reducing balance
Fixtures & fittings	-	20% Straight line
Computer equipment	-	33% Straight line

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

THE HENRY BOX SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	15 months Total funds 2013 £
Donations and other voluntary income	834	9,193	10,027	85,734
Transfer from Local Authority on conversion	-	-	-	18,596,826
	834	9,193	10,027	18,682,560

THE HENRY BOX SCHOOL
(A company limited by guarantee)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	15 months Total funds 2013 £
Lettings income	34,951	-	34,951	39,590
Other income	23,470	-	23,470	33,174
	<u>58,421</u>	<u>-</u>	<u>58,421</u>	<u>72,764</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	15 months Total funds 2013 £
Interest income	6,795	-	6,795	1,278

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	15 months Total funds 2013 £
Educational operations (see below)	-	6,428,200	6,428,200	8,475,685
Local Authority	-	166,339	166,339	79,560
Other grants	-	-	-	40,000
Other income from educational activities	283,873	-	283,873	287,391
	<u>283,873</u>	<u>6,594,539</u>	<u>6,878,412</u>	<u>8,882,636</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	15 months Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,402,634	6,402,634	8,293,307
Capital grants	-	25,566	25,566	178,011
Other DfE/EFA grants	-	-	-	4,367
	<u>-</u>	<u>6,428,200</u>	<u>6,428,200</u>	<u>8,475,685</u>

THE HENRY BOX SCHOOL
(A company limited by guarantee)

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

6. CHARITABLE ACTIVITIES

	Total funds 2014 £	<i>15 months Total funds 2013 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	3,872,132	4,863,206
National insurance	279,559	364,188
Pension cost	562,145	684,100
Net FRS17 pension scheme finance cost	30,386	34,885
Technology	48,770	58,309
Educational supplies	86,623	100,542
Examination fees	101,363	97,772
Staff development	19,923	20,031
Educational consultancy	25,548	42,704
Other direct costs	285,937	334,645
	5,312,386	6,600,382
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	391,440	447,638
National insurance	19,150	22,629
Pension cost	87,031	62,599
Depreciation	406,877	460,938
Net FRS17 pension scheme finance cost	20,614	16,115
Technology costs	61,563	58,625
Recruitment and support	19,667	30,657
Maintenance of premises	117,424	132,815
Maintenance of equipment	26,613	38,556
Cleaning	25,113	22,735
Rent and rates	62,294	64,977
Energy	129,073	176,169
Insurance	64,322	80,475
Security	110	1,633
Transport	16,581	16,989
Catering	37,605	51,003
Bank interest and charges	537	300
Travel and subsistence	5,267	2,906
Other support costs	156,233	181,021
	1,647,514	1,868,780
	6,959,900	8,469,162

THE HENRY BOX SCHOOL
(A company limited by guarantee)

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

7. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	15 months Total funds 2013 £
Auditors' remuneration	-	6,900	6,900	6,700
Auditors' remuneration - non-audit services	-	6,152	6,152	4,350
Legal and professional fees	-	913	913	4,634
Wages and salaries	-	13,081	13,081	14,767
National insurance	-	478	478	470
Pension cost	-	2,261	2,261	2,516
	<u>-</u>	<u>29,785</u>	<u>29,785</u>	<u>33,437</u>

8. RESOURCES EXPENDED

	Staff costs 2014 £	Non-Pay Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Fundraising expenses	1,271	412	1,683	4,941
Costs of generating funds	<u>1,271</u>	<u>412</u>	<u>1,683</u>	<u>4,941</u>
Direct costs	4,713,836	598,550	5,312,386	6,600,382
Support costs	497,621	1,149,893	1,647,514	1,868,780
Charitable activities	<u>5,211,457</u>	<u>1,748,443</u>	<u>6,959,900</u>	<u>8,469,162</u>
Governance	<u>15,820</u>	<u>13,965</u>	<u>29,785</u>	<u>33,437</u>
	<u>5,228,548</u>	<u>1,762,820</u>	<u>6,991,368</u>	<u>8,507,540</u>

THE HENRY BOX SCHOOL
(A company limited by guarantee)

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

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	406,877	460,938
Auditors' remuneration	6,900	6,700
Auditors' remuneration - non-audit services	6,152	4,350
Operating leases	19,670	14,671
	<u>439,600</u>	<u>486,659</u>

10. STAFF

Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	4,277,924	5,329,459
Social security costs	299,187	387,287
Other pension costs (Note 21)	651,437	749,958
	<u>5,228,548</u>	<u>6,466,704</u>

Staff numbers

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

	2014 No.	2013 No.
Teachers	79	81
Administration and support	59	59
Management	7	7
	<u>145</u>	<u>147</u>

Higher paid staff

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1
	<u>3</u>	<u>3</u>

THE HENRY BOX SCHOOL
(A company limited by guarantee)

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

10. STAFF (continued)

The above employees all participated in the Teachers' Pension Scheme. During the period ended 31 August 2014, pension contributions for these staff members amounted to £29,692 (2013: £38,046).

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration, fell within the following bands:

	2014 £	2013 £
W Hemmingsley, Headteacher and Accounting Officer	75,000-80,000	-
S Hunt (Staff Trustee)	25,000-30,000	30,000-35,000
C Hardie, Staff Trustee	40,000-45,000	-
Z Lanczak, Staff Trustee	45,000-50,000	-
I Rodway (Staff Trustee)	-	50,000-55,000
J Clark (Staff Trustee)	-	50,000-55,000

During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

During the period retirement benefits were accruing to 4 Trustees in respect of defined benefit pension schemes. The pension contributions for the Trustees amounted to £27,931 (2013: £36,289).

See also note 23.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,298 (2013 - £1,300). The cost of this insurance is included in the total insurance cost.

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13. TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 September 2013	19,234,137	12,175	17,271	205,299	19,468,882
Additions	332,717	-	24,582	106,315	463,614
At 31 August 2014	19,566,854	12,175	41,853	311,614	19,932,496
Depreciation					
At 1 September 2013	396,736	1,141	2,697	60,364	460,938
Charge for the year	321,856	1,522	5,029	78,470	406,877
At 31 August 2014	718,592	2,663	7,726	138,834	867,815
Net book value					
At 31 August 2014	18,848,262	9,512	34,127	172,780	19,064,681
At 31 August 2013	18,837,401	11,034	14,574	144,935	19,007,944

The Academy took out a 125 year lease over the land and buildings transferred from Oxfordshire County Council at the date of conversion. In addition, the lease that already existed between Oxfordshire County Council and the Witney Educational Foundation was assigned to The Academy on the date of conversion. The land and buildings transferred and assigned at conversion have been valued at an estimate of their fair value at conversion. In determining this value, the Trustees have referred to the desktop valuation of the land and buildings commission by the EFA as at 31 March 2013.

This desktop valuation was undertaken by Mouchel and was carried out on a depreciated replacement cost basis. Included in the value of land and buildings is land at a value of £6,483,000 which is not depreciated.

14. DEBTORS

	2014 £	2013 £
Trade debtors	8,937	94,467
Other debtors	65,436	109,247
Prepayments and accrued income	69,315	86,846
	<u>143,688</u>	<u>290,560</u>

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15. CREDITORS:

Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	119,244	122,241
Other taxation and social security	89,393	91,601
Other creditors	87,400	83,733
Accruals and deferred income	83,967	130,682
	380,004	428,257
		£
Deferred income		
Deferred income at 1 September 2013		76,851
Resources deferred during the year		39,985
Amounts released from previous years		(76,851)
		39,985
Deferred income at 31 August 2014		39,985

At the balance sheet date the Academy was holding funds received in advance for trips amounting to £39,985 booked for the year ending 31 August 2014 (2013: £75,950).

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

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	565,646	349,923	(226,067)	(58,697)	-	630,805
Restricted funds						
General Annual Grant (GAG)	334,363	6,402,634	(6,210,498)	-	-	526,499
Other DfE/EFA grants	-	26,175	(26,175)	-	-	-
Donations	-	2,000	-	-	-	2,000
Pension reserve	(1,344,000)	-	(93,000)	-	(326,000)	(1,763,000)
	<u>(1,009,637)</u>	<u>6,430,809</u>	<u>(6,329,673)</u>	<u>-</u>	<u>(326,000)</u>	<u>(1,234,501)</u>
Restricted fixed asset funds						
Other capital grants	40,000	140,164	-	58,697	-	238,861
DfE/EFA capital grants	177,986	25,566	(28,751)	-	-	174,801
Capital from GAG and other funds	220,975	-	(67,874)	-	-	153,101
Assets transferred on conversion	18,829,728	-	(339,003)	-	-	18,490,725
Voluntary income	-	7,193	-	-	-	7,193
	<u>19,268,689</u>	<u>172,923</u>	<u>(435,628)</u>	<u>58,697</u>	<u>-</u>	<u>19,064,681</u>
Total restricted funds	<u>18,259,052</u>	<u>6,603,732</u>	<u>(6,765,301)</u>	<u>58,697</u>	<u>(326,000)</u>	<u>17,830,180</u>
Total of funds	<u>18,824,698</u>	<u>6,953,655</u>	<u>(6,991,368)</u>	<u>-</u>	<u>(326,000)</u>	<u>18,460,985</u>

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

Restricted funds

The General Annual Grant (GAG) represents funding received from the Education Funding Agency during the period in order to fund the continuing activities of the school. 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.

Local Authority grants represent money given to the Academy through grants. This year the grants included income for children who are hard to place ie. children who would otherwise be likely to be refused admission to a suitable school and National recruitment incentives payable to qualifying staff members.

The pension reserve represents the Local Government Pension Scheme deficit.

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16. STATEMENT OF FUNDS (continued)

Fixed asset funds

Other capital grants represents funds given to the academy through donations for specific capital purposes which were unspent at 31 August 2014.

Fixed assets transferred on conversion represent the land and building and equipment donated to the school from Oxfordshire County Council on conversion to an Academy.

Fixed assets purchases from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA Capital grants included devolved capital funding and amounts received from the Academies Capital Maintenance Fund.

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.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	565,646	349,923	(226,067)	(58,697)	-	630,805
Restricted funds	(1,009,637)	6,430,809	(6,329,673)	-	(326,000)	(1,234,501)
Restricted fixed asset funds	19,268,689	172,923	(435,628)	58,697	-	19,064,681
	<u>18,824,698</u>	<u>6,953,655</u>	<u>(6,991,368)</u>	<u>-</u>	<u>(326,000)</u>	<u>18,460,985</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	15 months Total funds 2013 £
Tangible fixed assets	-	-	19,064,681	19,064,681	19,007,944
Current assets	1,010,809	528,499	-	1,539,308	1,589,011
Creditors due within one year	(380,004)	-	-	(380,004)	(428,257)
Pension scheme liability	-	(1,763,000)	-	(1,763,000)	(1,344,000)
	<u>630,805</u>	<u>(1,234,501)</u>	<u>19,064,681</u>	<u>18,460,985</u>	<u>18,824,698</u>

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18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	(37,713)	19,131,698
Returns on investments and servicing of finance	(6,795)	(1,278)
Assets on conversion from local authority	-	(18,596,826)
Depreciation of tangible fixed assets	406,877	460,938
Decrease/(increase) in debtors	146,873	(290,560)
(Decrease)/increase in creditors	(48,254)	428,257
Net FRS17 pension scheme finance costs	93,000	61,000
Net cash inflow from operations	553,988	1,193,229

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	6,795	1,278
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(463,614)	(254,918)

20. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	1,298,451	97,169	-	1,395,620
Net funds	1,298,451	97,169	-	1,395,620

21. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Oxfordshire County Council. Both are defined benefit schemes.

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

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

Teachers' Pension Scheme

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the

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21. PENSION COMMITMENTS (continued)

contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £249,347, of which employer's contributions totalled £188,109 and employees' contributions totalled £61,238. The agreed contribution rates for future years are 19.3% for employers and 5.5-7.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(3,047,000)	(2,324,000)
Fair value of scheme assets	1,284,000	980,000
Net liability	<u>(1,763,000)</u>	<u>(1,344,000)</u>

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

	2014 £	2013 £
Current service cost	(214,000)	(198,000)
Interest on obligation	(116,000)	(100,000)
Expected return on scheme assets	65,000	49,000
Total	<u>(265,000)</u>	<u>(249,000)</u>
Actual return on scheme assets	<u>(115,000)</u>	<u>(134,000)</u>

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21. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening defined benefit obligation	2,324,000	1,572,000
Current service cost	214,000	198,000
Interest cost	116,000	100,000
Contributions by scheme participants	53,000	61,000
Actuarial losses	360,000	393,000
Benefits paid	(20,000)	-
	<u>3,047,000</u>	<u>2,324,000</u>
Closing defined benefit obligation	<u>3,047,000</u>	<u>2,324,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	980,000	596,000
Expected return on assets	65,000	49,000
Actuarial gains and (losses)	34,000	86,000
Contributions by employer	172,000	188,000
Contributions by employees	53,000	61,000
Benefits paid	(20,000)	-
	<u>1,284,000</u>	<u>980,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £326,000 (2013 - £NIL).

The academy expects to contribute £175,000 to its Defined benefit pension scheme in 2014/15.

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

	2014	2013
Equities	71.00 %	69.00 %
GIIts	10.00 %	12.00 %
Other bonds	6.00 %	4.00 %
Property	6.00 %	6.00 %
Cash	5.00 %	4.00 %
Other (Hedge funds)	2.00 %	5.00 %

Principal actuarial assumptions at the Balance sheet date:

	2014	2013
Discount rate for scheme liabilities	3.90 %	4.70 %
Rate of increase in salaries	4.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.90 %
Inflation assumption (CPI)	2.60 %	2.90 %
Inflation assumption (RPI)	3.40 %	3.70 %

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21. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	23.2	19.2
Females	25.5	23.2
Retiring in 20 years		
Males	25.4	21.1
Females	27.9	25.1

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014
	£
Defined benefit obligation	(3,047,000)
Scheme assets	1,284,000
Deficit	(1,763,000)
Experience adjustments on scheme assets	34,000

22. OPERATING LEASE COMMITMENTS

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

	2014	2013
	£	£
Expiry date:		
Between 2 and 5 years	28,101	21,111

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period.

24. CONTROLLING PARTY

The ultimate controlling party is the Board of Governors as detailed on page 1 of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
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25. CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure in the financial statements.