

Mellor Primary School

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2014



**Company Registration Number:
07737398 (England and Wales)**

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**Mellor Primary School
Year Ended 31 August 2014
Reference and Administrative Details**

	Terms of office
MEMBERS	
Mr M Barley	01.10.11 – 31.08.15
Mr S Moore	01.10.11 – 31.08.15
Mr A Sokill	01.10.11 – 31.08.15
GOVERNORS	
Mr J E Nicholson*	N/A
Mrs A J Bowker*	01.09.10 – 30.09.15
Mrs C Boardman#	01.09.10 – 31.08.15
Mrs K Aldred#	01.10.11 – 31.08.15
Mr S Bielecki* (# from 1 September 2014)	11.06.12 – 10.06.15
Mrs L Gwyther (Vice Chair)#	01.09.12 – 31.08.16
Mr R Humphrey-Taylor*	01.10.11 – 30.09.15
Mr T Lowe#	01.10.11 – 30.09.15
Mr S Picot*	11.06.12 – 10.06.15
Mr P Redford*	01.09.13 – 31.08.17
Mr L Samuel*	11.06.12 – 10.06.15
Mr A Sokill (Chair)*	01.04.11 – 31.03.15
Mrs C Smith#	01.01.14 – 31.12.17

* Member of Finance Committee
Member of Education Committee

All the governors listed above are also Directors of the Company Limited by Guarantee.

**Mellor Primary School
Year Ended 31 August 2014
Reference and Administrative Details**

Company Secretary

Mrs A J Bowker

Senior Management Team

Mr J E Nicholson

Headteacher

Ms G Hulme

Deputy

Mrs A J Bowker

Bursar

Company Registration Number

07737398

Registered Office

Knowle Road
Mellor
Stockport
Cheshire
SK6 5PL

Accounting Officer

Mr J E Nicholson

Independent Auditor

Beever and Struthers
Chartered Accountants
St George's House
215 – 219 Chester Road
Manchester
M15 4JE

Bankers

Lloyds Bank PLC
2 Great Underbank
Stockport
SK1 1LX

NatWest Bank PLC
2 Market Street
Marple
Stockport
SK6 5PL

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in and around Mellor. It has a pupil capacity of 210 and had on roll 186 pupils at the end of July 2014. In addition the academy was at full capacity at 16 state funded Nursery places (15 hours per week per child), with the opportunity to purchase additional hours.

Structure, Governance and Management

Constitution

The academy trust 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 trustees of Mellor Primary are also the directors of the charitable company for the purposes of company law. The charitable company is known as Mellor Primary School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 2.

Members' Liability

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

*As required in the academy trust's funding agreement/memorandum and articles of association.

Trustees' Indemnities

Governors benefit from indemnity insurance purchased at the academy trust's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as Directors of the academy trust. The limit of this indemnity is £2,000,000.

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

Method of Recruitment and Appointment or Election of Trustees

The academy's Governing Body comprises the Headteacher, a minimum of 2 governors who are parents, up to 2 staff governors (providing that the total number of governors, including the Headteacher, who are employees of the academy trust, does not exceed one third of the total number of governors) and up to 7 other governors.

The Articles of Association require the members of the charitable company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

The members of the academy shall comprise:

- a) The signatories to the Memorandum
- b) 1 person appointed by the Secretary of State, in the event that the secretary of State appoints a person for this purpose
- c) The chairman of the governors
- d) Any person appointed under Article 16 of the Articles of Association

Governors are appointed for a minimum of 4 years, 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.

Policies and Procedures adopted for the Induction and Training of Governors

The academy has a Governance Policy which includes Recruitment, Induction and Training policy which is available from the school.

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 copies of policies, procedures, minutes, accounts, budgets, plans and other documents that 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. All trustees and governors have access to a range of training programmes.

Organisational Structure

The Full Governing Body normally meets once each term. The Governing Body 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.

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

There are 2 committees as follows;

- Finance and Premises Sub- 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 including setting staffing levels. It also incorporates the role of an audit committee.
- Education 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.

The following decisions are reserved to the Full Governing Body;

- 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 and Clerk to the governors,
- to approve the Annual Development Plan and budget.

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

The trustees and Full Governing Body have devolved responsibility for day to day management of the academy to the Headteacher and Senior Management Team (SMT). The SMT comprises the Headteacher, Deputy Headteacher, and Bursar. The SMT implement the policies laid down by the governors and report back to them on performance.

The Headteacher is responsible for the appointment of staff, though governors often have a part to play in the process.

The Headteacher is the Accounting Officer.

Connected Organisations including Related Party Relationships

Friends of Mellor are the Parent Teacher Association (PTA) which helps to raise additional funding for the school.

Mellor Primary School works closely with Marple Hall School, our feeder secondary school on ensuring a smooth transition to Secondary Education.

The Walklake Trust Foundation, whose objective is to provide benefits of any kind to the academy not normally provided by public funds and to provide financial assistance to pupils in need. The trustees are Mr G Johnson, Mr T Lowe, Mr J E Nicholson (Headteacher), Mrs P Harrison, Mr R Jones, Mrs S Mayer.

Mellor Lacrosse Club has use of the academy's Sports pitch and there is an informal shared use agreement between them and the academy. In return, Mellor Sports Club regularly allows use of its facilities to the academy e.g. Tennis.

There are no related parties which either control or significantly influence the decisions and operations of Mellor Primary School.

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

Objectives and Activities

Objects and Aims

The principal object and activity of the academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of Mellor Primary School to provide free education and care for pupils of different abilities between the ages of 3 and 11.

The aims of the academy during the period ended 31st August 2014 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra-curricular activities.
- to develop students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with our local community, industry and commerce.
- to develop the academy's capacity to manage change, and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

Mellor Primary School aims to get the best for, and from, each child. The academy intends to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. It is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our academy Development Plan. Improvement focuses identified for this year include:

- New extension and internal restructure to accommodate increasing pupil numbers.
- Development of the outdoor environment – as a Forest School.
- Quality of teaching and learning in developing Challenge Curriculum.

Key activities and targets were identified in the academy Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The activities included the following:

- review of numeracy, literacy and ICT capability.
- review of staffing levels in the light of increasing pupil numbers
- continued development of systems for tracking and monitoring pupil attainment.
- range of activities to promote community adhesion and support of other charities activities.

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

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.

Strategic Report

Achievements and Performance

The academy managed to recruit two full-time teachers to allow for same year teaching for Key Stage 2 children from September 2013.

We have a high number of parent volunteers who have been helping in the academy. Their commitment to the children and academy is inspirational. They have helped with reading, writing, maths, and trips out of school.

To ensure that standards are continually assessed, the academy operates a programme of lesson observations, which are undertaken by the Headteacher, Deputy and subject leaders.

In addition, the academy offered the opportunity for the parents of our 16 part-time nursery children to stay for additional afternoon session at a cost of £15.00 per session. This has proved to be very popular and will continue to be offered, whilst also providing an additional funding stream.

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

Key Performance Indicators

Summary of Key Stage 2 Results in 2014

Subject	Level 4+	Level 5+
Level 6		
Reading	100%	73%
Writing*	100%	68%
Grammar,		
punctuation & spelling	95%	59%
5%		
Maths	91%	32%
9%		

* Teacher Assessment

Note: each child accounts for approximately 5%

Progress

Expected progress is defined by the government as 2 levels of progress between KS1 (Yr2) and KS2 (Yr6). 3 levels is above expected progress.

Subject	Expected Progress	Above expected progress
Reading	95%	45%
Writing	100%	50%
Maths	86%	27%

During the year, the academy's PTA fundraising activities raised over £6,000

Pupil attendance for children aged 4 – 11 years for the year 2013 – 14 has been 97.1

Going Concern

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

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

Financial Review

Most of the academy's income is obtained from the DfE via the EFA, through the Local Authority's Funding Formula, 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 31st August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The academy also receives Devolved Formula Capital grants for capital expenditure from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005). The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the academy's accounting policies.

For the years 2013 -14 and 2014-15 the academy has been successful in obtaining a Capital Grant from the EFA of £543,000 to enable expansion of the school to accommodate a further classroom and extension to the hall.

During the year ended 31st August 2014, expenditure of £622k was covered by recurrent grant funding from the DfE of £631k. Other incoming resources totalled £884k, with associated expenditure of £388k. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £505k. This balance includes accrued capital grant income of £390k due to be paid in the next financial year.

At 31st August 2014 the net book value of fixed assets was £2,356k and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The land, buildings and other assets were transferred to the academy upon conversion. The School building was professionally valued on 4th October 2011 at £2,000,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

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 details in note 23 to the financial statements.

The governors have appointed Emma Johnstone, Management Accountant, Corporate and Support Services, Schools Finance, Stockport MBC, as Responsible Officer, to provide independent oversight of the academy's financial affairs and undertake a programme of internal checks on financial controls. During the year, the governors received reports from the Responsible Officer which contained no matters of significance.

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

Funding Agreement

The Funding Agreement* is the contract between the Secretary of State for Education and the academy and sets out the terms on which the academy is funded. Please also see the Deed of Variation* – an update to the original Funding Agreement

The Funding Agreement specifies how the academy is run, its duties and the powers the Secretary of State has over the academy. The Funding Agreement is the method by which academies are held accountable to the Department for Education (DfE). In places the Funding Agreement makes specific references to existing legislation to ensure that academies operate in a similar fashion to other state-funded schools and that there is parity between academies and other state schools. Funding Agreements are not static and may be updated as the law and policy relating to academies changes.

* A full description is available on our School website www.mellor.stockport.sch.uk

Additional Funding – Pupil Premium

Pupil Premium is additional funding provided by the Department for Education to enhance the education of children from low-income families who were eligible for free school meals and children who have been looked after continuously for more than six months.

The amount of Pupil Premium allocated to Mellor Primary school for the academic year 2013 – 2014 was £13,927.00 and was used to provide targeted intervention for children with low attainment in core subject areas and emotional needs

It was used to provide programmes for pastoral support and additional one to one or small group intervention to improve pupils' progress.

The impact arising from expenditure of the Pupil Premium has been a demonstrable improvement in reading, writing and mathematics.

Key Financial Performance Indicators

As funding is based on pupil numbers this is also a key performance indicator. The total number of pupils aged 4 – 11 for the school year ending July 2013 was 183. This increased to 186 by the end of the school year in July 2014, as several new families moved into the area. It is anticipated that this number will continue to rise.

Reserves Policy

Subject to the EFA's constraints on permitted balances, the academy's policy is to carry forward a prudent level of resources. Due to anticipated cuts in funding, the situation will be kept under review. Reserves are allocated and spent as part of the School Development Plan, to update, improve and maintain its facilities and resources.

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

Investment Policy

The academy aims to manage its cash balances to provide for the day to day working requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. The School does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Headteacher and Bursar within strict guidelines approved by the Governing Body.

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. In the last year 78% of the academy's incoming resources were 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 potential failure to effectively manage the academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk governors ensure that pupil 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.

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 Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

Plans for Future Period

The academy will continue to strive to improve levels of academic 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 Governing Body has been successful in being awarded a bid for DfE capital funding in order to be able to expand the hall and build an additional classroom. The Governing Body also plans to utilise existing reserves and any surplus from 2014/15 towards this project.

Funds Held as Custodian Trustee on Behalf of Others

The academy does not act as the custodian trustees of any other charity.

Auditor

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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 2 December 2014 and signed on the board's behalf by:



Mr A Sokill

Chair of Governors

Mellor Primary School Year Ended 31 August 2014 Trustees' Report

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Mellor Primary 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 trustees 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 Mellor Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The full governing body has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Full Governing Body

Governor		Meetings attended	Out of a possible
K	Aldred	4	4
S	Bielecki	2	4
C	Boardman	3	4
A	Bowker	4	4
L	Gwyther	4	4
R	Humphrey-Taylor	4	4
T	Lowe	4	4
J	Nicholson	4	4
S	Picot	4	4
P	Redford	3	4
L	Samuel	2	4
C	Smith	2	3
A	Sokill	4	4
	(Chair of Governors)		

During the year P Redford and C Smith joined the Governing Body.

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

Finance and Premises Sub Committee (Incorporating Audit Committee)

The Finance and Premises Sub Committee assists in the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters to the governing body on a regular basis. Major issues will be referred to the full Governing Body for ratification.

Governor		Meetings Attended	Out of a possible
S	Bielecki	5	6
A	Bowker	6	6
R	Humphrey-Taylor	4	6
J	Nicholson	6	6
S	Picot	5	6
L	Samuel	5	6
P	Redford	4	4
A	Sokill	6	6

Education Sub Committee

The Education Sub Committee is responsible for monitoring the School Development Plan. It ensures that a broad and balanced curriculum is provided and that the Governing Body has a knowledge of how the curriculum is taught, evaluated and resourced. It considers the School Improvement targets and monitors the progress of all pupils. It reviews policies and issues on welfare, patterns of attendance and exclusion.

Governor		Meetings Attended	Out of a possible
K	Aldred	3	3
C	Boardman	3	3
L	Gwyther	3	3
T	Lowe	3	3
J	Nicholson	3	3
C	Smith	1	1

Governance reviews:

The Governing Body intends to conduct its next self-evaluation during 2014 – 15 to assess its development needs. Where-ever possible the Governors attend any whole school training such as Safeguarding.

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 Mellor Primary School 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 Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust'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 trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Premises sub-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 trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed E Johnstone 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 controls and on the discharge of the governing body's financial responsibilities.

**Mellor Primary School
Year Ended 31 August 2014
Trustees' Report**

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 RO has delivered their schedule of work as planned.

Approved by order of the members of the Governing Body and signed on its behalf by:

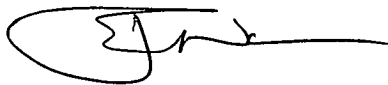


Signed

Mr A Sokill

Chair of Governors

2 December 2014



Signed

Mr J E Nicholson

Accounting Officer

2 December 2014

**Mellor Primary School
Year Ended 31 August 2014
Statement on Regularity, Propriety and Compliance**

Statement of Regularity, Propriety and Compliance

As accounting officer of Mellor Primary School I have considered my responsibility to notify the academy trust board of trustees 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 trust 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 academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust'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.



Mr J E Nicholson

Accounting Officer

2 December 2014

**Mellor Primary School
Year Ended 31 August 2014
Statement of Trustees' Responsibilities**

Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 2 December 2014 and signed on its behalf by:



Mr A Sokill
Chair of Trustees

**Mellor Primary School
Year Ended 31 August 2014
Independent Auditor's Report to the Members of Mellor Primary School**

We have audited the financial statements of Mellor Primary School for the year ended 31 August 2014 which comprise of 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2014 issued by the Education Funding Agency and applicable law.

This report is made solely to the academy trust'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 trust'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 trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the trustees (who are also the directors of the academy trust 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Mellor Primary School
Year Ended 31 August 2014
Independent Auditor's Report to the Members of Mellor Primary School (continued)

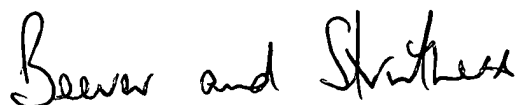
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



ANDREW MCLAREN (Senior Statutory Auditor)

For and on behalf of

BEEVER AND STRUTHERS

Chartered Accountants & Statutory Auditor

St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

11 December 2014

Mellor Primary School
Year Ended 31 August 2014
Independent Reporting Accountant's Assurance Report on Regularity to Mellor Primary
School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 4 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mellor Primary 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 Mellor Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Mellor Primary School 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 Mellor Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Mellor Primary School accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Mellor Primary School's funding agreement with the Secretary of State for Education dated 30 September 2011, Deed of Variation to the funding agreement dated 15 January 2013 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Mellor Primary School
Year Ended 31 August 2014
Independent Reporting Accountant's Assurance Report on Regularity to Mellor Primary
School and the Education Funding Agency (continued)

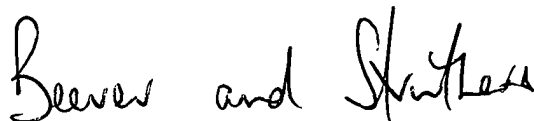
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusions includes

- Review and testing of the system of control
- Sample testing of transactions
- Discussions with management

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.



ANDREW MCLAREN (Reporting Accountant)

For and on behalf of
BEEVER AND STRUTHERS
Chartered Accountants
& Statutory Auditor

St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

11 December 2014

Mellor Primary School
Year Ended 31 August 2014
Statement of Financial Activities for the year ended 31 August 2014 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2014 £000	Total 2013 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	8	-	-	8	6
Activities for generating funds	3	187	-	-	187	158
Investment income	4	-	-	-	-	-
<i>Incoming resources from charitable activities:</i>						
Funding for the academy's educational operations	5	-	770	551	1,321	766
Total incoming resources		194	770	551	1,515	930
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income	6	-	-	-	-	9
Fundraising trading	6	143	-	-	143	167
<i>Charitable activities:</i>						
Academy's educational operations	7	-	768	94	862	818
Governance costs	8	-	5	-	5	6
Total resources expended	6	143	773	94	1,010	1,000
Net incoming/(outgoing) resources before transfers		51	(3)	457	505	(70)
Gross transfers between funds	15	-	-	-	-	-
Net income/(expenditure) for the year		51	(3)	457	505	(70)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	15	-	(75)	-	(75)	17
Net movement in funds		51	(78)	457	430	(53)
Reconciliation of funds						
Funds brought forward at 1 September 2013	15	35	(55)	2,298	2,278	2,331
Funds carried forward at 31 August 2014		86	(133)	2,755	2,708	2,278

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

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Mellor Primary School
Year Ended 31 August 2014
Balance sheet as at 31 August 2014

Company Limited by Guarantee
Registration Number 07697027

	Note	2014 £000	2014 £000	2013 £000	2013 £000
Fixed assets					
Tangible assets	12		2,356		2,298
Current assets					
Debtors	13	426		5	
Cash at bank and in hand		249		83	
		<u>675</u>		<u>88</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(163)</u>		<u>(35)</u>	
Net current assets			<u>512</u>		<u>53</u>
Total assets less current liabilities			2,868		2,351
Pension scheme liability	23		(160)		(73)
Net assets including pension liability			<u>2,708</u>		<u>2,278</u>

Funds of the academy trust:

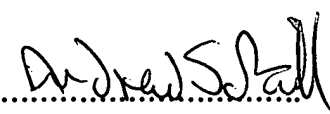
Restricted income funds

Fixed asset fund	15	2,755		2,298	
General fund	15	27		18	
Pension reserve	15	<u>(160)</u>		<u>(73)</u>	
Total restricted funds			2,622		2,243

Unrestricted income funds

General fund	15	<u>86</u>		<u>35</u>	
Total unrestricted funds			86		35
Total funds			<u>2,708</u>		<u>2,278</u>

The financial statements on pages 21 to 41 were approved by the trustees, and authorised for issue on 2 December 2014 and are signed on their behalf by:

.....

Mr A Sokill
Chair of Governors

Mellor Primary School
Year Ended 31 August 2014
Cash Flow Statement for the year ended 31 August 2014

	Notes	2014 £000	2013 £000
Net cash inflow from operating activities	18	(233)	30
Returns on investments and servicing of finance	19	-	-
Capital expenditure and financial investment	20	399	(28)
Increase in cash in the year	21	<u>166</u>	<u>2</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 01 September 2013		83	81
Net funds at 31 August 2014	21	<u>249</u>	<u>83</u>

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014

1 Accounting Policies

Basis of Preparation

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 Annual Academies Accounts Direction 2013 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 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.

Incoming Resources

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

- **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Sponsorship income**

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

- **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.

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting Policies (continued)

- **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.

Resources Expended

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

- **Costs of generating funds**

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

- **Charitable activities**

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

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting Policies (continued)

Tangible Fixed Assets (continued)

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

Freehold buildings	50 years
Fixtures, fittings and equipment	10 years
ICT equipment	4 years
Motor Vehicles	5 years

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.

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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, 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.

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

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.

Pension Benefits (continued)

finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 the Education Funding Agency or 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.

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Capital donations	-	-	-	-
Other donations	8	-	8	6
	<u>8</u>	<u>-</u>	<u>8</u>	<u>6</u>

3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Other Income	44	-	44	41
School Fund	25	-	25	30
Out of School care	58	-	58	41
Inc from contributions to visits	12	-	12	6
Catering	48	-	48	40
	<u>187</u>	<u>-</u>	<u>187</u>	<u>158</u>

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Interest received	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5 Funding for academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
DfE/YPLA/EFA revenue grants				
General Annual Grant (GAG)	-	680	680	649
Capital grants	-	551	551	6
Other DfE/EFA grants	-	-	-	3
	<u>-</u>	<u>1,231</u>	<u>1,231</u>	<u>658</u>
Other Government grants				
Local authority grants	-	90	90	108
Special educational projects	-	-	-	-
	<u>-</u>	<u>90</u>	<u>90</u>	<u>108</u>
	<u>-</u>	<u>1,321</u>	<u>1,321</u>	<u>766</u>

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2014 £000	Total 2013 £000
Costs of generating voluntary income	-	-	-	-	9
Costs of activities for generating funds	32	-	111	143	167
Academy's educational operations					
Direct costs	499	94	68	661	635
Allocated support costs	97	63	41	201	183
	<u>628</u>	<u>157</u>	<u>220</u>	<u>1,005</u>	<u>994</u>
Governance costs including allocated support costs	-	-	5	5	6
	<u>628</u>	<u>157</u>	<u>225</u>	<u>1,010</u>	<u>1,000</u>

**2014
£000** **2013
£000**

Outgoing resources for the year include:

Operating leases	-	1
Fees payable to auditor		
Audit	4	4
Other services	-	-
Profit/(loss) on disposal of fixed assets	<u>-</u>	<u>-</u>

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

7 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
<i>Direct costs</i>				
Teaching and educational support staff costs	-	499	499	493
Depreciation	-	94	94	82
Technology Costs	-	9	9	9
Educational supplies	-	28	28	36
Examination fees	-	-	-	-
Staff development	-	7	7	9
Educational consultancy	-	12	12	6
Other direct costs	-	12	12	-
	<u>-</u>	<u>661</u>	<u>661</u>	<u>635</u>
<i>Allocated support costs</i>				
Support staff costs	-	97	97	94
Depreciation	-	-	-	-
Technology Costs	-	2	2	2
Recruitment and support	-	-	-	-
Maintenance of premises and equipment	-	13	13	12
Cleaning	-	1	1	1
Rent & rates	-	10	10	12
Energy	-	16	16	15
Insurance	-	23	23	12
Security and transport	-	2	2	3
Catering	-	-	-	-
Bank Interest & Charges	-	-	-	-
Other support costs	-	37	37	32
	<u>-</u>	<u>201</u>	<u>201</u>	<u>183</u>
	<u>-</u>	<u>862</u>	<u>862</u>	<u>818</u>

8 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 2014 £000	Total 2013 £000
Legal and professional fees	-	-	-	1
Auditor's remuneration				
• Audit of financial statements	-	4	4	4
• Accountancy, taxation and other services	-	-	-	-
Support staff costs:	-	-	-	-
Governor training courses	-	1	1	1
	<u>-</u>	<u>5</u>	<u>5</u>	<u>6</u>

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

9 Staff Costs

	2014 £000	2013 £000
Staff costs during the period were:		
Wages and salaries	521	496
Social security costs	33	32
Pension costs	74	70
	<u>628</u>	<u>598</u>
Supply teacher costs	10	15
Compensation payments	-	-
	<u>638</u>	<u>613</u>

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

	2014 Number	2013 Number
<i>Charitable Activities</i>		
Teachers	8	7
Administration and support	11	11
Management	1	1
	<u>20</u>	<u>19</u>

No employee received emoluments over £60,000 during the current or the previous years

10 Trustees' Remuneration and Expenses

The Principal and staff trustees only received remuneration in respect of services they provided undertaking the roles of Principal and staff and not in respect of their services as trustees. Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of the Principal's remuneration was £54,849 (2013: £54,304).

The value of the trustee (members) remuneration was as follows:

Mrs C Boardman	£35k - £40k
Mrs A J Bowker	£15k - £20k

Travel and subsistence expenses totalling £338 (2013: £355) were reimbursed to the trustees during the period.

Related party transactions involving the trustees are set out in note 24.

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

11 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 £150,000 on any one claim.

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

12 Tangible Fixed Assets

	Freehold Land and Buildings £000	Buildings Under Construction £000	Other Equipment £000	Computer Equipment £000	2014 Total £000
Cost					
At 01 September 13	2,000	21	373	61	2,455
Additions	-	152	-	-	152
Disposals	-	-	-	-	-
At 31 August 2014	2,000	173	373	61	2,607
Depreciation					
At 01 September 13	58	-	70	29	157
Charged in year	30	-	37	27	94
Disposals	-	-	-	-	-
At 31 August 2014	88	-	107	56	251
Net book values					
At 31 August 2013	1,912	173	266	5	2,356
At 31 August 2012	1,942	21	303	32	2,298

13 Debtors

	2014 £000	2013 £000
Trade Debtors	-	-
Other Debtors	36	-
Prepayments and accrued income	390	5
	426	5

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

14 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Other creditors	-	5
Accruals and deferred income	163	30
	<u>163</u>	<u>35</u>
<i>Deferred income</i>		
Deferred income at 01 September 13	14	
Resources deferred in the year	33	
Amounts released from previous years	(14)	
Deferred income at 31 August 14	<u>33</u>	

15 Funds

	Balance at 01 September 2013 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2014 £000
Restricted general funds					
General Annual Grant (GAG)	18	631	(622)	-	27
Other DfE/EFA grants	-	-	-	-	-
Local Authority Grants	-	90	(90)	-	-
Other income/donations	-	-	-	-	-
	<u>18</u>	<u>721</u>	<u>(712)</u>	<u>-</u>	<u>27</u>
Pension reserve	(73)	49	(61)	(75)	(160)
	<u>(55)</u>	<u>770</u>	<u>(773)</u>	<u>(75)</u>	<u>(133)</u>
Restricted fixed asset funds					
Inherited on conversion	2,253	-	(77)	-	2,176
Capital Expenditure from GAG	26	-	(17)	-	9
DfE/EFA Capital Grants	19	551	-	-	570
	<u>2,298</u>	<u>551</u>	<u>(94)</u>	<u>-</u>	<u>2,755</u>
Total restricted funds	<u>2,243</u>	<u>1,321</u>	<u>(867)</u>	<u>(75)</u>	<u>2,622</u>
Unrestricted funds					
Unrestricted funds	35	194	(143)	-	86
Total unrestricted Funds	<u>35</u>	<u>194</u>	<u>(143)</u>	<u>-</u>	<u>86</u>
Total funds	<u>2,278</u>	<u>1,515</u>	<u>(1,010)</u>	<u>(75)</u>	<u>2,708</u>

Mellor Primary School
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Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

15 Funds (continued)

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

Restricted Funds:

Restricted funds are largely represented by GAG, and other central Government funding for the running of the school and Local Authority Funding for early years provision.

Unrestricted Funds:

Unrestricted funds arise from a variety of sources, as set out in note 3.

16 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	2,356	2,356
Current assets	86	190	399	675
Current liabilities	-	(163)	-	(163)
Pension scheme liability	-	(160)	-	(160)
Total net assets	86	(133)	2,755	2,708

17 Capital commitments

	2014 £000	2013 £000
Contracted for, but not provided in the financial statements	454	-

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

18 Reconciliation of net income to net cash inflow from operating activities

	2014 £000	2013 £000
Net income	505	(70)
Capital income on conversion	-	-
Capital grants from DfE/EFA and other capital income	(551)	82
Depreciation	94	(6)
Interest receivable (note 4)	-	(0)
FRS 17 pension cost less contributions payable (note 25)	61	10
FRS 17 pension finance income (note 25)	(49)	2
(Increase)/decrease in debtors	(421)	-
Increase/(decrease) in creditors	128	12
LGPS liability inherited on conversion	-	-
Net cash inflow from operating activities	(233)	30

19 Returns on investments and servicing of finance

	2014 £000	2013 £000
Interest received	-	-
Net cash inflow from returns on investment and servicing of finance	-	-

20 Capital expenditure and financial investment

	2014 £000	2013 £000
Assets transferred on conversion	-	-
Purchase of tangible fixed assets	(152)	(34)
Capital grants from DfE/EFA	551	6
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
Net cash outflow from capital expenditure and financial investment	399	(28)

21 Analysis of changes in net funds

	At 1 September 2013 £000	Cash flows £000	At 31 August 2014 £000
Cash in hand and at bank	83	166	249

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

22 Members' Liability

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

23 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 Tameside Metropolitan 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 related to the year ended 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

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

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

23 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

23 Pension and similar obligations (continued)

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.

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.

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 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.

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

23 Pension and similar obligations (continued)

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 £37,000, of which employer's contributions totalled £27,000 and employees' contributions totalled £10,000. The agreed contribution rates for future years are 18.3 per cent for employers and 5.5-7.5 per cent for employees.

Principal Actuarial Assumptions

	At 31 August 2014	At 1 September 2013
Salary increase rate	3.8%	4.6%
Pension increase rate	2.7%	2.8%
Expected return on assets	5.5%	5.9%
Discount rate	3.7%	4.6%

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

	At 31 August 2014	At 1 September 2013
<i>Retiring today</i>		
Males	21.4 yrs	20.1 yrs
Females	24.0 yrs	22.9 yrs
<i>Retiring in 20 years</i>		
Males	24.0 yrs	22.5 yrs
Females	26.6 yrs	25.0 yrs

Sensitivity Analysis

Change in assumptions at 31 August 2014	Approximate % increase to Employer's Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	74
1 year increase in member life expectancy	3%	17
0.5% increase in Salary Increase Rate	6%	37
0.5% increase in the Pension Increase Rate	6%	35

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

23 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £000	Expected return at 1 September 2013	Fair value at 1 September 2013 £000
Equities	6.3%	293	6.6%	208
Bonds	3.2%	75	3.9%	52
Property	4.5%	25	4.7%	17
Cash	3.3%	21	3.6%	12
Total market value of assets		414		289
Present value of scheme liabilities				
- Funded		(574)		(362)
Surplus/(deficit) in the scheme		(160)		(73)

The rates of return are based on the recommended return assumptions derived from the actuary's asset model.

Amounts recognised in the statement of financial activities

	2014 £000	2013 £000
Current service cost (net of employee contributions)	43	27
Past service cost	-	-
Total operating charge	43	27
Analysis of pension finance income / (costs)		
Expected return on pension scheme assets	(18)	11
Interest on pension liabilities	18	(13)
Pension finance income / (costs)	-	(2)

The actual 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 FRS 17 is a £24k loss.

Mellor Primary School
Year Ended 31 August 2014

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

23 Pension and similar obligations (continued)
Local Government Pension Scheme (continued)

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

	2014 £000	2013 £000
At 1 September	362	294
Current service cost	43	37
Past service cost	-	-
Interest cost	18	13
Employee contributions	11	10
Actuarial (gain)/loss	140	8
Curtailments and settlements	-	-
Benefits paid	-	-
At 31 August	574	362

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

	2014 £000	2013 £000
At 1 September	289	216
Expected return on assets	18	11
Actuarial gain/(loss)	65	25
Employer contributions	31	27
Employee contributions	11	10
Assets distributed on settlements	-	-
Transfer in of new members	-	-
Benefits paid	-	-
At 31 August	414	289

The estimated value of employer contributions for the year ended 31 August 2015 is £33k.

The five-year history of experience adjustments is as follows:

	2004 £000	2013 £000	2012 £000	2011 £000	2010 £000
Present value of defined benefit obligations	(574)	(362)	(294)	-	-
Fair value of share of scheme assets	414	289	216	-	-
Surplus/(Deficit) in the scheme	(160)	(73)	(78)	-	-
Experience adjustments on share of scheme assets	65	25	11	-	-
Experience adjustments on scheme liabilities:	(70)	-	-	-	-

Mellor Primary School
Year Ended 31 August 2014
Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

23 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

LGPS Liability Guarantee

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.

24 Related Party Transactions

Owing to the nature of the academy trust'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 trust's financial regulations and normal procurement procedures.

There have been no related party transactions during this or the previous financial periods.