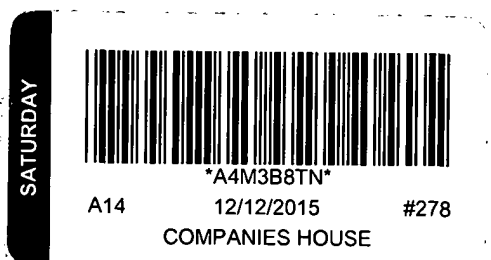


Company Registration No. 07917745 (England and Wales)

APPLECROFT SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

**GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015**



APPLECROFT SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 11
Governance statement	12 - 16
Statement on regularity, propriety and compliance	17
Statement of governors' responsibilities	18
Independent auditor's report on the accounts	19 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities	23
Balance sheet	24
Cash flow statement	25
Notes to the accounts	26 - 43

APPLECROFT SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Ms C Forbes (Chair of Governors) *
Mr M Jolly (Vice Chair of Governors) *
Ms M Woodliffe (Chair of Finance Committee) *
Mrs S Boulton (Staff Governor)
Mrs N Oxenham (Acting headteacher) (Appointed 1 September 2014 and resigned 31 August 2015) *
Revd J Fennell (Community Governor)
Ms R Barden (Parent Governor) *
Mr N Gallacher (Staff Governor)
Mr N Lofthouse (Parent Governor) *
Mr B Towndrow (Community Governor)
Mrs F Wadley (Parent Governor) *
Ms L Abrahams-Green (Parent Governor)
Mrs L Lamaison (Staff Governor)
Mrs L Withe (Headteacher) (Appointed 1 September 2015)

* members of the finance committee

Members

Ms C Forbes	- Chair
Ms M Woodliffe	- Parent governor
Mr M Jolly	- Vice Chair
Mrs S Boulton	- Staff governor
Mrs N Oxenham (resigned 31/08/2015)	- Acting headteacher
Revd J Fennell	- Community governor
Ms R Barden	- Parent governor
Mrs L Withe (appointed 01/09/2015)	- Headteacher

Senior leadership team

Mrs L Withe	- Headteacher
Mr P Wyatt	- Deputy Headteacher
Ms S Boulton	- Upper KS2 Phase Leader
Mrs A Brazier	- SEND Coordinator
Mrs T Brown	- KS1 Phase Leader
Mrs S Gardiner	- Early Years Phase Leader
Mrs O Coe	- School Business Manager

Company secretary

Ms S Draycott

Company registration number

07917745 (England and Wales)

Registered office

Applecroft Road
Welwyn Garden City
Hertfordshire
AL8 6JZ

APPLECROFT SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Wilkins Kennedy LLP
5 Yeomans Court
Ware Road
Hertford
Hertfordshire
SG13 7HJ

Bankers

Lloyds Bank PLC
PO Box 1000
Andover
BX1 1LT

Solicitors

Browne Jacobson LLP
44 Castle Gate
Nottingham
NG1 7BJ

APPLECROFT SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Charitable Company operates an academy for pupils aged 3-10 serving the catchment area of Welwyn Garden City. It has a pupil capacity of 420 in the main school and 60 in its nursery and a roll of 423 for the main school and 53 for the nursery in the 2015 school census.

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 governors are the trustees of Applecroft School and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and details of the costs are disclosed in Note 10 to the accounts.

Method of recruitment and appointment or election of governors

- Parent Governors are appointed by election of parents of students attending the Academy.
- Staff Governors are appointed by election of staff employed by the Academy.
- Community Governors may be appointed by the Governing Body.
- Member Governors may be appointed directly by members.
- The principal automatically becomes an ex officio governor.
- Further governors may be appointed by the Secretary of State.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Policies and procedures adopted for the induction and training of governors

At the start of 2014 academic year, the Governing Body welcomed one new staff governor, a new community governor and three new parent Governors. Two incumbent parent Governors were re-elected. The Governing Body have embraced the need for greater commitment and action which will become more evident within this report. The total number of Governors is within our Academy Memorandum and Articles of Association.

Four Governors received training in a financial Governing Body obligations training session ensuring accountabilities are understood. All Governors attended an in-house session on Admissions in order to better appreciate accountabilities and to make more informed decisions. A collaborative session was also conducted with staff and Governors to discuss the vision and values of the school. Where necessary, training will be provided on educational legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students.

The Chair and Vice Chair of Governors will typically meet with new Governors to discuss broadly the governance obligations and commitments required of a new Governor.

Training for all new Governors is offered by Herts County Council. All new Governors are encouraged to attend new governor induction training.

All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

Organisational structure

The Governing Body, which meets on at least 5 occasions per year, is responsible for the strategic direction of the Academy. The Governing Body reviews progress towards educational objectives and results. They also approve major expenditure requests, set general policy, review and monitor Academy financials, approve the budget for the following year, review and approve the organisational staffing structure, agree the performance objectives of the Head Teacher with the School Improvement Partner, and review them.

The full Governing Body delegates certain areas of its functions to sub committees: the Finance, HR and Audit Committee and the Premises Committee. Some meetings are also attended by members of the Academy's Senior Leadership Team (SLT). The Governors have a Schedule of Financial Delegation in place which clearly defines boundaries of budget authority. This is adhered to, ensuring appropriate levels of discussion and consideration before any spend commitments are made.

The Acting Headteacher was an ex officio Governor and member of the trust, and the accounting officer. The Acting Headteacher directly line managed the SLT, which for the 2014/15 academic year comprised of an Assistant Headteacher, Assessment Leader, SEND Co-ordinator, KS1 Leader, early years and from January a school Business Manager. As a group, the SLT is responsible for the day to day operation of the Academy - in particular the curriculum strategy, organising the teaching and non-teaching staff, facilities and students. The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Acting Head teacher had overall responsibility for the day to day financial management of the Charitable Company. The Acting Head teacher had delegated responsibility for low values of expenditure to specific budget holders who were each responsible for managing their own departments within the constraints of their allocated budgets.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Connected organisations including related party relationships

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 governor 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.

Applecroft is involved in several active partnerships with a variety of schools and agencies.

The Academy is part of a partnership (Handside Schools' Partnership) along with a local Secondary and Special School. The schools have worked closely to enable children to participate in joint curriculum projects.

The Academy is involved with a cluster of primary and secondary schools in the Welwyn Garden City area of Hertfordshire. Several sporting events covering football, netball, athletics, cross country are arranged throughout the academic year.

The Academy was involved in supporting the Apprenticeship scheme and had both a TA and Sports Apprentice within the school for the academic year.

Objectives and activities

Objects and aims

Our vision is to sustain and develop an environment which both challenges and cares for every individual, equipping them to meet the vastly different future they will encounter and make a valuable contribution to their immediate and wider world.

To this purpose the staff and Governors of Applecroft School are firmly committed to providing an atmosphere which cultivates learners who are...

- Independent
- Confident
- Globally aware
- Resilient
- Actively engaged
- Empowered
- Collaborative and inquisitive
- Caring of themselves, each other and their wider environment

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

We are proud of being a school which:

- Knows every child both as an individual and as part of the school community
- Recognises the value of making memories which last a lifetime
- Prepares every Applecroft child to be the best they can be
- is committed to building on existing links within our community
- Knows the importance of the involvement of and communication between all aspects of the child's learning community
- Considers as paramount the excitement and learning opportunities provided by creative engagement with a broad and varied curriculum
- Embraces diversity enabling us to build on our global community links
- Has mutual respect and integrity embedded in all areas of school life
- Embraces the application of new technologies in school and in the wider world
- Looks to the future and adapts and evolves to improve the opportunities we offer to our children and community.

The principal object and aim of the Charitable Company is the operation of Applecroft School to be an inclusive school, valuing everyone and providing opportunities to fulfil each individual's potential.

- To provide a broad and balanced curriculum that explores knowledge, nourishes creativity and encourages independence.
- To encourage happy, confident, learning for life.
- To provide a safe, secure and 'stimulating environment in which everyone can feel happy and cared for.
- To respect and value each other, our environment and ourselves.
- To be a diverse, active, committed, all inclusive, happy community both within and beyond the school.
- To be a self-evaluating school.

This is consistent with objects detailed in our Memorandum of Association Clause 4.

Objectives, strategies and activities

During the year the school has worked towards achieving these aims by:

- Improving the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- Providing value for money for the funds expended;
- Complying with all appropriate statutory and curriculum requirements;
- High quality tuition and learning opportunities for all students to reach their full potential.
- Ensuring 100% qualified teacher assessed as good/outstanding with coverage at all levels within the school in order to maintain our high standard of education provision.
- We strive to maintain the outstanding progress made at the end of KS2 as reflected in our SATs results.
- To continually develop the curriculum, enabling pupils to apply their acquired knowledge in a broad and creative way.
- Training opportunities for those staff where a recognized development or improvement is required.
- A programme of extra-curricular after school clubs and activities for all students to deliver a broader curriculum.
- Worked closely with the School Business Manager to deliver best value and generate additional saving opportunities.
- Conducting the Academy's business in accordance with the highest standards of integrity

At Applecroft School we aim to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

We develop our rich and varied curriculum to capture the hearts and minds of our children in broad, diverse and creative ways. We recognise that every child is different and we use as many media and methods as possible to ensure we offer inclusive opportunities to enable high standards of progress and attainment. Our curriculum is progressive and builds on prior knowledge and skills each year.

At Applecroft we carry out ongoing assessments of the children, providing each child with regular feedback so that they know their next steps. We use both summative and formative assessment of pupils and benchmark the schools performance against both local and national figures. We pride ourselves on knowing every child as an individual and tailor our learning towards ensuring all children can be successful and fulfil their potential.

Public benefit

The governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The Academy has operated in accordance with its funding agreement and appeals as a non-charging, not for profit organisation throughout the period in question. Pupil admissions to the Academy have been conducted in accordance with the Hertfordshire County Council Admissions Policy.

Strategic report

Achievements and performance

The Academy measures its success partly through a series of performance indicators. These indicators comprise:

- Academy popularity/admissions
- SATs results and other indicators of student progress
- Staff performance monitoring
- Financial health
- Staff turnover
- HIP report
- Self evaluation
- School data days where each and every child's progress is evaluated and appropriate actions taken as necessary

Examination results for 2015 maintained overall trends significantly above national results:

93% of pupils achieved level 2+ in English & Maths at the end of KS1 (Reading 100%, Maths 93%, Writing 93%)

91% of pupils achieved level 4+ in English & Maths at end of KS2 (Reading 100% , Writing 91%, Maths 97%)

At level 5+ pupils results were: Reading 72%, Writing 57% & Maths 59%)

At level 6+ pupils results were: Reading 2% Writing 3% Maths 10% & Grammar 2%

To ensure standards are continually raised, the Academy:

- Operates a programme of lesson observations
- Operates a programme of learning walks
- Operates a programme of appraisal reviews
- Tracks and tackles underachievement as indicated by a number of measures (for example, by subject, class, student)
- Ongoing data analysis at class, year, key stage and faculty levels
- Employs an external adviser (HIP)
- School Plan
- Conducts regular Link Governor faculty meetings to gather evidence for pupil opportunity
- Critical friend governor enquiries at FGB meetings, evidenced within FGB minutes
- Self Evaluation document

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Key performance indicators

The Governors receive monthly monitoring reports which are reviewed and discussed at the finance committee. Continual assessment against policies, aims and financial budgets is undertaken to ensure effective management of Grants and Funds received.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2015 were 423 (2014: 418 for the main school). Applecroft continues to be an extremely popular school and is heavily oversubscribed within our community.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2014/15 this was 68.3% (budget - 79.86%).

Going concern

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

Financial review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the EFA. In addition the Academy received £18K through private letting of the school and its premises.

For the year ended 31 August 2015 the Trust received £1,910K of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Academy Trust spent virtually all of its restricted funds with the exception of £12K but had a surplus of £127K from its unrestricted funds carrying a surplus of £628K forward.

Reserves policy

The Directors are aware of the requirement to balance current and future needs. The Directors always aim to set a balanced budget with annual income balancing annual expenditure.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £628K. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

In addition to a contingency of £150K to cover unexpected or emergency expenditure, the Governors have decided to hold the additional reserves to cover expenditure which may be required if the school takes up any initiatives noted in Plans for Future Periods below.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £747K. The Governors have determined that they should hold a cash contingency equivalent to two weeks' expenditure, approximately £80K.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant pension fund deficit of £441K. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cashflow effect in the form of increased employer contributions over a number of years.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Investment policy and powers

The Investment Policy was reviewed by the Full Governing Body in June 14 and as a consequence a decision was made to invest cash sums into two low risk interest bearing savings accounts.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Academy's income but with minimal risk. The aim is to continually research where funds may be deposited applying prudence in ensuring there is minimum risk. The Academy does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

Principal risks and uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity. This contingency is managed through an insurance which is in place to cover a majority of these risks.

The Directors assess the other principal risks and uncertainties facing the Trust as follows:

- The Academy trust had an acting head during this academic year. The Governing Body went through three rounds of advertising prior to appointing a new headteacher. We are delighted with our appointment and as it is still early days, it is prudent to place this as a potential risk. Due to this change, we may experience greater staff turnover, causing instability.
- The academy has considerable reliance on continued Government funding through the EFA and 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. Our business manager has shared our three year plan and we are aware that the trust could potentially be in deficit within three years.
- 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 and have recently appointed a School Business Manager to strengthen this further. Governors retendered the role of internal auditor and with support of the Business Manager have appointed Wilkins Kennedy LLP to conduct this exercise on a termly basis.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

- 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 student success and achievement are closely monitored and reviewed. We have seen no diminution in student and parental enthusiasm. The school has been oversubscribed for many years and there is every sign of this continuing.
- Loss of Outstanding status - Applecroft School is considered outstanding in every category. The School conducts regular self-evaluation to ensure that it "strives to excel" in every area of its educational provision. External reviews and data confirm we are still maintaining our standards.
- Staff recruitment: The ongoing maintenance of 100% of qualified teachers in the classroom continues to be a significant risk.
- The Academy's IT infrastructure is protected through installation of appropriate security procedures which are regularly updated ensuring protection of school data and safeguarding of students within the network. Staff and Governors are aware of e-safety issues and are ever mindful of possible risks. A disaster recovery strategy is in place.
- Disaster recovery and protection - The Academy has taken various insurance policies to mitigate any financial and business risk wherever possible.
- 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, e-safety and discipline.
- The Academy is mindful of pupils being negatively influenced by radicalisation
- The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for future periods

The Academy will continue striving to improve the level of performance of its students at all levels, and will maintain its popularity within its community leading to a strong pupil subscription in future years.

A critical action for Governors is to ensure our Headteacher is fully inducted and supported in order to give her every possible opportunity for success in her new role. We are fully supportive of the appointment of our Acting Deputy Headteacher and will continue to work with the Headteacher in ensuring the structure in place adds best value to the school.

The Governing Body plan to conduct a full skills audit to identify any areas of required development in order to be an effectively functioning Governing Body. With the ever changing education landscape, in particular for Academies, the Governors also plan to develop a more comprehensive onboarding /induction process for future Governor recruits.

The Governing Body structure is planned to change in order to fulfill additional committee obligations.

Now that we have our new Headteacher in post we are able to build a better set of plans for the future. The school has implemented a working party in partnership with the school Governors whose sole purpose is to focus on strategy planning. The working party will consider and review a number of options for the school which will benefit the pupils, parents, staff and wider community in support of its forward thinking approach to education. This is to encourage and support our ethos of being a leading edge school who wish to implement and consider initiatives in line with the latest educational thinking, provision of a best practice service to advance education whether it is in support of communities locally, nationally or at a global level. The school will continue to share best practices that are applied within Applecroft which ensure maintenance of its outstanding Ofsted status.

APPLECROFT SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Auditor

In so far as the governors are aware:

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

A resolution proposing that Wilkins Kennedy LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 02 December 2015 and signed on its behalf by:



Ms C Forbes

Chair of Governors

APPLECROFT SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that Applecroft 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 Applecroft 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 Statement of Governors' Responsibilities. The board of governors has formally met 8 times during the year. Attendance during the year at meetings of the board of governors was as follows. In addition Mrs O Coe (associate governor) attended 4 out of a possible 5 meetings.

Governors	Meetings attended	Out of possible
Ms C Forbes (Chair of Governors)	10	10
Mr M Jolly (Vice Chair of Governors)	6	10
Ms M Woodliffe (Chair of Finance Committee)	6	10
Mrs S Boulton (Staff Governor)	10	10
Mrs N Oxenham (Acting headteacher) (Appointed 1 September 2014 and resigned 31 August 2015)	9	10
Revd J Fennell (Community Governor)	9	10
Ms R Barden (Parent Governor)	7	10
Mr N Gallacher (Staff Governor)	9	10
Mr N Lofthouse (Parent Governor)	9	10
Mr B Towndrow (Community Governor)	9	10
Mrs F Wadley (Parent Governor)	10	10
Ms L Abrahams-Green (Parent Governor)	10	10
Mrs L Lamaison (Staff Governor)	8	10
Mrs L Withe (Headteacher) (Appointed 1 September 2015)	0	0

During the Summer term of 2014 the Governing Body commissioned an external review to consider its organisation and effectiveness. The school was at a key point of transition in recruiting a new Headteacher. The school and the Governing Body were at a point in time where there was an opportunity to review where the school was currently and decide its future direction. The Governors decided to begin proactively by inviting staff to share in a joint staff/governor workshop. The objectives of the workshop were to:

1. Work together to renew the school's aims and objectives
2. Use that information to consider some short term and longer term goals
3. Influence future development plans
4. Explore opportunities for closer staff/governor working

The workshop was a great success which enabled staff and Governors to highlight current weaknesses, opportunities and potential threats to progress. The report and recommendations that resulted from the workshop led to a small governor working party to establish a vision statement and share that with the staff.

APPLECROFT SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

The Governing Body reviewed its committee structure and created a number of working parties that were focused on our start of year priorities which were:

1. Headteacher recruitment – Commenced September 2015
2. Business Manager recruitment – Commenced January 2015
3. School Plan which would incorporate our strategic vision – Work In Progress

The Governors and staff are working together as a team to ensure effective governance and good working relationships going forward.

The finance committee is a sub-committee of the main board of governors. Its purpose is to address financial matters.

The main items addressed during the year was a complete review of statutory and recommended financial policies, taking necessary mitigation actions to reduce the risk rating of areas identified as high and commissioning an internal audit to take place during the accounting period.

Attendance at meetings in the year was as follows. In addition Mrs O Coe (associate governor) attended 4 out of a possible 4 meetings.

Governors	Meetings attended	Out of possible
Ms C Forbes (Chair of Governors)	7	8
Mr M Jolly (Vice Chair of Governors)	3	8
Ms M Woodliffe (Chair of Finance Committee)	6	8
Mrs N Oxenham (Acting headteacher) (Appointed 1 September 2014 and resigned 31 August 2015)	8	8
Ms R Barden (Parent Governor)	7	8
Mr N Lofthouse (Parent Governor)	8	8
Mrs F Wadley (Parent Governor)	8	8

Review of value for money

As accounting officer the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Raising Student Attainment

Applecroft School has a well-planned strategy to invest its resources in the best way possible to ensure that educational standards continue to improve and to ensure each individual pupil has the opportunity to reach their full potential.

At Applecroft School we are highly inclusive, have high value added and high expectations of progress for all our pupils. The school has in place a rigorous tracking of pupil progress and achievement with underachievement identified early and the appropriate interventions put in place. The school operates an extensive monitoring programme.

APPLECROFT SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

We provide a creative approach to the curriculum, offering children a broad range of experiences.

We use Pupil Premium funding to deliver carefully targeted interventions and services as early as possible such as Art Therapy, One to One Tuition, and activities which allow the children to be fully inclusive. This ensures our disadvantaged children meet or exceed their targets. The school carefully monitors Pupil Premium expenditure and its impact on improving attainment for pupils on Free School Meals or are Looked After. Results at the end of 2015 indicate that 100% of pupil's allocated pupil premium achieved level 4+ in English and Maths and all made more than 2 levels progress from KS1. Use of this grant and its effectiveness is published annually on the school's website.

Financial Governance and Oversight

The Finance Committee meet regularly to monitor the finances of Applecroft School. Wilkins Kennedy LLP were appointed to carry out the internal audit function for the academic year 2014-2015. The school commissioned three internal audits to take place during the accounting period.

The Governing Body approve the annual budget forecast of the school and review our admission numbers forecast and three year budget on an annual basis ensuring we remain a 'going concern' and facilitating future financial stability.

The Finance Committee meet half-termly to review the budget monitoring reports, the internal audit reports and the external auditors management report and takes action on any recommendations made by them. Governors are involved in the tender process and have to sign purchase orders to the value of £10,000 or above and the Finance Committee have to sign purchases to the value of £5,000 or above. Terms of reference for all Governing Body committees are reviewed and approved annually.

Ensuring the operation of Applecroft School demonstrate good value for money and efficient and effective use of resources

Applecroft has a procurement framework in place which ensures that formal tender processes and three supplier quotes have to be obtained to set limits. In addition, budget holders allocations are targeted specifically at identified areas of development ensuring that a direct link to school improvement is made to all resources allocated. The quality of service, contract prices and terms and conditions of the school suppliers are regularly reviewed and compared with the open market.

The school has carried out the following activities to secure more efficient and effective use of resources in the given year:

- A number of historical contracts for learning resources and general school services were examined for impact and not renewed as it was felt they no longer provided good value for money
- The outsourcing of the school's milk arrangements has lead to saving in time in the office in sending out bills, banking etc

Maximising Income Generation

Applecroft School explores every opportunity to generate additional revenue through grant applications and the hiring of the schools facilities. Successful grant applications in the given year include:

- The school generates income of around £19,000 per annum on the hiring of its facilities out of school hours
- The school was successful in gaining £22,000 Salix loan grant for upgrading the school's lighting

Reviewing Controls and Managing Risks

Budget monitoring reports are produced and reviewed by the Headteacher, Business Manager and Governors. A risk register is being compiled to detail all the potential financial and business risks and put measures in place to minimise the implications of these.

Applecroft School holds a very healthy cash balance at the bank with a savings and current account being held. In choosing the saving accounts full consideration to the Financial Services Compensation Scheme was given resulting in only £85,000 being deposited in each savings account. The limit is changing to £75,000 from January 2016 but the governors have agreed that this change in limit does not significantly increase the risk to the academy.

APPLECROFT SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Lessons Learnt and Action Plan for 2015-2016

Applecroft School is committed to delivering good value in the use of public resources and will continue to review its operations. Key areas for development in 2015-2016 are:

- To review all of the school's current contracts
- To fully implement the new internal controls systems identified during the internal audit
- To carry out a financial skills audit of trustees and to implement a training programme to address any areas for development that are identified
- To set up a separate Audit Committee to evaluate the effectiveness of the internal control framework and to monitor the risk register
- To undertake a further review of all aspects of the staffing structure to ensure that it meets further needs of the school

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 Applecroft School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. A significant review of these processes and procedures has been undertaken between June 2015 and September 2015 and a number of amendments made in order to tighten the Academies approach to risk management further.

Capacity to handle risk

The board of governors 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 board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

The risk and control framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Wilkins Kennedy LLP as internal auditor.

The internal auditors's role includes giving advise on financial matters and performing a range of checks on the Academies financial systems. On a termly basis, the internal auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

During the period covered by this report there were no material control issues identified by the internal auditor, although there were a couple of areas where the internal auditor identified internal controls that could be improved and these were reported to the Governing Body and acted on accordingly.

APPLECROFT SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

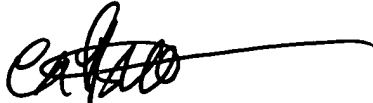
Review of effectiveness

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 work of the Finance and Business Manager within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance 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 02 December 2015 and signed on its behalf by:



Ms C Forbes
Chair of Governors

APPLECROFT SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Applecroft School I have considered my responsibility to notify the academy trust 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 trust and the Secretary of State for Education. 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's board of governors 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. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.

Approved on 02 December 2015 and signed by:



Mrs L Withe
Accounting Officer

APPLECROFT SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

In preparing these accounts, the governors are required to:

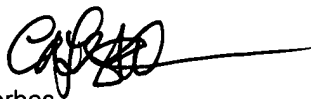
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of governors on 02 December 2015 and signed on its behalf by:



Ms C Forbes
Chair of Governors

APPLECROFT SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLECROFT SCHOOL

We have audited the accounts of Applecroft School for the year ended 31 August 2015 set out on pages 23 to 43. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of governors and auditors

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

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

APPLECROFT SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF APPLECROFT 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Wilkins Kennedy LLP

Mandy Wilson FCA (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy LLP

Chartered Accountants
Statutory Auditor
5 Yeomans Court
Ware Road
Hertford
Hertfordshire
SG13 7HJ

Dated: *9th December 2015*

APPLECROFT SCHOOL

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

In accordance with the terms of our engagement letter dated 11 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Applecroft School during the period 1 September 2014 to 31 August 2015 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 Applecroft School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Applecroft 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 the Applecroft School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Applecroft School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Applecroft School's funding agreement with the Secretary of State for Education dated 1 March 2012 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 to 2015. 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 2014 to 31 August 2015 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 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

APPLECROFT SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO APPLECROFT 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 period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy LLP

Reporting Accountant

Wilkins Kennedy LLP

5 Yeomans Court

Ware Road

Hertford

Hertfordshire

SG13 7HJ

Dated: *9th December 2015*

APPLECROFT SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £'000s	Restricted funds £'000s	Fixed Asset funds £'000s	Total 2015 £'000s	Total 2014 £'000s
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	-	64	-	64	71
- Activities for generating funds	3	123	-	-	123	168
- Investment income	4	4	-	-	4	4
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	1,825	85	1,910	1,872
Total incoming resources		127	1,889	85	2,101	2,115
Resources expended						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	-	1,909	69	1,978	2,101
Governance costs	8	-	15	-	15	8
Total resources expended	6	-	1,924	69	1,993	2,109
Net incoming/(outgoing) resources before transfers		127	(35)	16	108	6
Gross transfers between funds		-	(15)	15	-	-
Net income/(expenditure) for the year		127	(50)	31	108	6
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	10	-	10	(73)
Net movement in funds		127	(40)	31	118	(67)
Fund balances at 1 September 2014		501	(389)	2,609	2,721	2,788
Fund balances at 31 August 2015		628	(429)	2,640	2,839	2,721

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

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

APPLECROFT SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2015

		2015	2014
	Notes	£'000s	£'000s
Fixed assets			
Tangible assets	11	2,640	2,608
Current assets			
Debtors	12	51	87
Cash at bank and in hand		747	640
		<u>798</u>	<u>727</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(158)	(180)
Net current assets		640	547
Net assets excluding pension liability		3,280	3,155
Defined benefit pension liability	17	(441)	(434)
Net assets		<u>2,839</u>	<u>2,721</u>
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds		2,640	2,608
- General funds		12	64
- Pension reserve		(441)	(434)
Total restricted funds		<u>2,211</u>	<u>2,238</u>
Unrestricted income funds	15	628	483
Total funds		<u>2,839</u>	<u>2,721</u>

The accounts were approved by order of the board of governors and authorised for issue on 02 December 2015.


Ms C Forbes
Chair of Governors

Company Number 07917745

APPLECROFT SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £'000s	2014 £'000s
Net cash inflow/(outflow) from operating activities	18	118	123
Returns on investments and servicing of finance			
Investment income		4	4
Net cash inflow/(outflow) from returns on investments and servicing of finance		4	4
		122	127
Capital expenditure and financial investments			
Capital grants received		85	9
Payments to acquire tangible fixed assets		(100)	(42)
Receipts from sales of tangible fixed assets		-	5
Net cash flow from capital activities		(15)	(28)
Increase/(decrease) in cash	19	107	99

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Incoming resources

All incoming resources are recognised when the academy trust 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 trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

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

Other income

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

Donated services and gifts in kind

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

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 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 trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £500 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 trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 life, as follows:

Long leasehold land and buildings	50 years straight line
Leasehold improvements	50 years straight line
Computer equipment	3-4 years straight line
Fixtures, fittings & equipment	5-10 years straight line

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Change in accounting estimate

The academy has changed its depreciation policies during the year as follows:

-Leasehold land - previously the land was depreciated over the term of the lease (125 years). The depreciation policy has been changed and land is no longer depreciated. This is considered more appropriate on the basis that land does not depreciate in value.

-Leasehold buildings - previously leasehold buildings were depreciated over 20 years on a straight line basis. The depreciation policy has been changed and the building has been depreciated over 50 years on the basis that the academy is expected to repair and maintain the building as part of the lease.

-Leasehold improvements - previously these were depreciated over 35 years. The depreciation policy has changed and these are now depreciated over 50 years which is in line with the depreciation of the building. This is considered more appropriate as the leasehold improvements should be depreciated in line with the depreciation on the building.

The impact of the change in accounting policy this year is as follows:

Leasehold land - this has had the impact of reducing the depreciation charge for the year by £8K

Leasehold buildings - this has had the impact of reducing the depreciation charge for the year by £54K

Leasehold improvements - this has had a minimal impact on the depreciation charge for the year.

1.6 Leasing commitments

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

1.7 Taxation

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

1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

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

1.9 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and Department for Education 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 and Department for Education.

1.10 Agency arrangements

The academy acts as an agent for the children's centre which is on its premises. Funding is received from the Local Authority on behalf of the children's centre and expenses are paid out on the centre's behalf. The income and expenditure has been excluded from the statement of financial activities as the academy does not have control over the charitable application of the funds. Please see note 25 to the accounts for further details.

2 Voluntary income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2015 £'000s	Total 2014 £'000s
Other donations	-	64	64	71
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3 Activities for generating funds

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2015 £'000s	Total 2014 £'000s
Hire of facilities	18	-	18	27
Catering income	49	-	49	79
Music tuition	17	-	17	18
Other income	39	-	39	44
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	123	-	123	168
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

4 Investment income

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2015 £'000s	Total 2014 £'000s
Short term deposits	4	-	4	4
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2015 £'000s	Total 2014 £'000s
DfE / EFA grants				
General annual grant (GAG)	-	1,499	1,499	1,409
Capital grants	-	85	85	9
Other DfE / EFA grants	-	61	61	58
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	1,645	1,645	1,476
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other government grants				
Local authority grants	-	265	265	370
Other grants	-	-	-	26
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	265	265	396
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funding	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	1,910	1,910	1,872

6 Resources expended

	Staff costs £'000s	Premises & equipment £'000s	Other costs £'000s	Total 2015 £'000s	Total 2014 £'000s
Academy's educational operations					
- Direct costs	1,174	-	173	1,347	1,416
- Allocated support costs	261	90	280	631	685
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,435	90	453	1,978	2,101
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other expenditure					
Governance costs	-	-	15	15	8
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditure	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,435	90	468	1,993	2,109

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended (Continued)

Net income/(expenditure) for the year includes:	2015 £'000s	2014 £'000s
Operating leases		
- Plant and machinery	3	-
Fees payable to auditor		
- Audit	4	4
- Other services	2	4
	<u> </u>	<u> </u>

7 Charitable activities

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2015 £'000s	Total 2014 £'000s
Direct costs				
Teaching and educational support staff costs	-	1,174	1,174	1,231
Educational supplies and services	-	150	150	158
Educational consultancy	-	20	20	23
Other direct costs	-	3	3	4
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	1,347	1,347	1,416
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Allocated support costs				
Support staff costs	-	261	261	282
Depreciation	-	69	69	119
Technology costs	-	28	28	19
Maintenance of premises and equipment	-	21	21	22
Cleaning	-	7	7	7
Energy costs	-	38	38	28
Rent and rates	-	11	11	10
Insurance	-	27	27	30
Security and transport	-	4	4	4
Catering	-	116	116	76
Interest and finance costs	-	9	9	11
Other support costs	-	40	40	77
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	631	631	685
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total costs	-	1,978	1,978	2,101
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

8 Governance costs

	Unrestricted funds £'000s	Restricted funds £'000s	Total 2015 £'000s	Total 2014 £'000s
Legal and professional fees	-	9	9	4
Auditor's remuneration				
- Audit of financial statements	-	4	4	4
- Other audit costs	-	2	2	-
	<u>-</u>	<u>15</u>	<u>15</u>	<u>8</u>

9 Staff costs

	2015 £'000s	2014 £'000s
Wages and salaries	1,139	1,213
Social security costs	70	57
Other pension costs	192	179
	<u>1,401</u>	<u>1,449</u>
Supply teacher costs	14	26
Staff development and other staff costs	20	38
	<u>1,435</u>	<u>1,513</u>

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

	2015 Number	2014 Number
Teachers	20	21
Administration and support	20	4
Management	2	-
	<u>42</u>	<u>25</u>

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

	2015 Number	2014 Number
£60,001-£70,000	1	-
£80,001-£90,000	-	1
	<u>-</u>	<u>1</u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	1	1
	£'000s	8	12
Local Government Pension Scheme	Numbers	-	-
	£'000s	-	-

10 Governors' remuneration and expenses

The headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. During the year no expenses were reimbursed to any governors (2014: £1,316 reimbursed to one governor).

The value of governors' remuneration was as follows:

Ms N Oxenham (Headteacher):

Remuneration £60,001-£65,000 (2014: Ms V Parsey (Headteacher) £85,001-£90,000)

Employer's pension contributions £5,001-£10,000 (2014: Ms V Parsey (Headteacher) £10,001-£15,000)

Ms S Boulton, Ms L LaMaison and Mr N Gallacher (staff governors)

Remuneration £70,880 (2014 - Ms S Boulton and Mr N Gallacher £51,293)

Employer's pension contributions £13,337 (2014: Ms S Boulton and Mr N Gallacher £7,786)

Other related party transactions involving the governors are set out within the related parties note.

Governors' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £785 (2014: £863). The cost of this insurance is included in the total insurance cost.

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Long leasehold land and buildings £'000s	Leasehold improvements £'000s	Computer equipment £'000s	Fixtures, fittings & equipment £'000s	Total £'000s
Cost					
At 1 September 2014	2,753	20	79	87	2,939
Additions	-	42	16	42	100
At 31 August 2015	2,753	62	95	129	3,039
Depreciation					
At 1 September 2014	235	1	40	54	330
Charge for the year	32	1	20	16	69
At 31 August 2015	267	2	60	70	399
Net book value					
At 31 August 2015	2,486	60	35	59	2,640
At 31 August 2014	2,517	19	40	32	2,608

Included within leasehold land and building is land with a value of £1,000,239 which is not being depreciated.

During the year the academy has changed its depreciation policies for land and buildings. Details of this can be found in the accounting policies note.

12 Debtors

	2015 £'000s	2014 £'000s
Trade debtors	5	-
VAT recoverable	10	37
Other debtors	4	-
Prepayments and accrued income	32	50
	51	87

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

13	Creditors: amounts falling due within one year	2015	2014
		£'000s	£'000s
	Trade creditors	28	33
	Taxes and social security costs	19	17
	Other creditors	23	21
	Accruals	23	23
	Deferred income	65	86
		<u>158</u>	<u>180</u>
14	Deferred income	2015	2014
		£'000s	£'000s
	Deferred income is included within:		
	Creditors due within one year	65	86
		<u>65</u>	<u>86</u>
	Total deferred income at 1 September 2014	86	33
	Amounts credited to the statement of financial activities	(86)	(33)
	Amounts deferred in the year	65	86
		<u>65</u>	<u>86</u>
	Total deferred income at 31 August 2015	65	86

Deferred income includes free school meals funding received in advance, rates relief, devolved formula capital and trip income which relates to 2015/16.

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

	Balance at 1 September 2014 £'000s	Incoming resources £'000s	Resources expended £'000s	Gains, losses & transfers £'000s	Balance at 31 August 2015 £'000s
Restricted general funds					
General Annual Grant	45	1,499	(1,517)	(15)	12
Other DfE / EFA grants	-	61	(61)	-	-
Other government grants	-	265	(265)	-	-
Other restricted funds	-	64	(64)	-	-
	<u>45</u>	<u>1,889</u>	<u>(1,907)</u>	<u>(15)</u>	<u>12</u>
Funds excluding pensions	45	1,889	(1,907)	(15)	12
Pension reserve	(434)	-	(17)	10	(441)
	<u>(389)</u>	<u>1,889</u>	<u>(1,924)</u>	<u>(5)</u>	<u>(429)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	85	-	(85)	-
General fixed assets	2,609	-	(69)	100	2,640
	<u>2,609</u>	<u>85</u>	<u>(69)</u>	<u>15</u>	<u>2,640</u>
Total restricted funds	<u>2,220</u>	<u>1,974</u>	<u>(1,993)</u>	<u>10</u>	<u>2,211</u>
Unrestricted funds					
General funds	501	127	-	-	628
	<u>501</u>	<u>127</u>	<u>-</u>	<u>-</u>	<u>628</u>
Total funds	<u>2,721</u>	<u>2,101</u>	<u>(1,993)</u>	<u>10</u>	<u>2,839</u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

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

General Annual Grant (GAG)

This represents funding from the EFA to cover the normal running costs of the academy.

Other DfE/EFA grants

This includes pupil premium and the PE and sports grant.

Other government grants

This represents allocated funding for special educational needs pupils and various other small grants from local and national government bodies for the provision of specific services to pupils of the school.

Other Restricted funds

This includes donations for school trips and other small donations for the provision of specific services to pupils of the school.

Pension Reserve

This fund represents the Academy's share of the deficit of the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from being a state controlled school.

Restricted Fixed Asset Fund

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

DfE/EFA capital grants

This represents income received from both the Department for Education and the Education Funding Agency for capital projects undertaken by the Academy.

Transfers

The transfer between funds represents the net adjustment for additions purchased using GAG funding and DfE/EFA capital funding.

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 2015.

16 Analysis of net assets between funds

	Unrestricted funds £'000s	Restricted funds £'000s	Fixed asset funds £'000s	Total funds £'000s
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	2,640	2,640
Current assets	628	170	-	798
Creditors falling due within one year	-	(158)	-	(158)
Defined benefit pension liability	-	(441)	-	(441)
	<u>628</u>	<u>(429)</u>	<u>2,640</u>	<u>2,839</u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

The academy trust'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 Hertfordshire 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 2014 and of the LGPS 31 March 2013.

Contributions amounting to £21K were payable to the schemes at the year end and have been included in other creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £114k (2014: £139k).

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.8 per cent for employers and 6.6 per cent for employees. The estimated value of employer contributions for the forthcoming year is £75,000.

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.

Contributions made	2015 £'000s	2014 £'000s
Employer's contributions	72	40
Employees' contributions	16	14
Total contributions	88	54
Principal actuarial assumptions		
	2015 %	2014 %
Rate of increase in salaries	4.1	4
Discount rate for scheme liabilities	3.8	3.7
Inflation assumption (CPI)	2.7	2.7
Expected return on scheme assets	3.8	5.4

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

	2015 Years	2014 Years
Retiring today		
- Males	22.3	22.3
- Females	24.5	24.5
Retiring in 20 years		
- Males	24.3	24.3
- Females	26.7	26.7

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £'000s	2014 Expected return %	2014 Fair value £'000s
Equities	3.8	301	6.3	254
Bonds	3.8	131	3.3	87
Cash	3.8	19	3.3	11
Property	3.8	34	4.5	26
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total market value of assets		485		378
Present value of scheme liabilities - funded		(926)		(812)
		<u> </u>		<u> </u>
Net pension asset / (liability)		(441)		(434)
		<u> </u>		<u> </u>

The expected rates of return are set equal to the discount rate (as per the forthcoming FRS 102 disclosure requirements).

The actual return on scheme assets was £20,000 (2014: £39,000).

Amounts recognised in the statement of financial activities

	2015 £'000s	2014 £'000s
Operating costs/(income)		
Current service cost (net of employee contributions)	80	60
Past service cost	-	-
	<u> </u>	<u> </u>
Total operating charge	80	60
	<u> </u>	<u> </u>
Finance costs/(income)		
Expected return on pension scheme assets	(23)	(19)
Interest on pension liabilities	32	30
	<u> </u>	<u> </u>
Net finance costs/(income)	9	11
	<u> </u>	<u> </u>
Total charge/(income)	89	71
	<u> </u>	<u> </u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £'000s	2014 £'000s
Actuarial (gains)/losses on assets: actual return less expected	3	(15)
Experience (gains)/losses on liabilities	(13)	88
(Gains)/losses arising from changes in assumptions	-	-
	<u> </u>	<u> </u>
Total (gains)/losses	(10)	73
	<u> </u>	<u> </u>
Cumulative (gains)/losses to date	76	86
	<u> </u>	<u> </u>

Movements in the present value of defined benefit obligations

	2015 £'000s	2014 £'000s
Obligations at 1 September 2014	(812)	(620)
Current service cost	(80)	(60)
Interest cost	(32)	(30)
Contributions by employees	(16)	(14)
Actuarial gains/(losses)	13	(88)
Benefits paid	1	-
	<u> </u>	<u> </u>
At 31 August 2015	(926)	(812)
	<u> </u>	<u> </u>

Movements in the fair value of scheme assets

	2015 £'000s	2014 £'000s
Assets at 1 September 2014	378	290
Expected return on assets	23	19
Actuarial gains/(losses)	(3)	15
Contributions by employers	72	40
Contributions by employees	16	14
Benefits paid	(1)	-
	<u> </u>	<u> </u>
At 31 August 2015	485	378
	<u> </u>	<u> </u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

History of experience gains and losses

	2015 £'000s	2014 £'000s	2013 £'000s	2012 £'000s
Present value of defined benefit obligations	(926)	(812)	(620)	(515)
Fair value of share of scheme assets	485	378	290	193
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Surplus / (deficit)	(441)	(434)	(330)	(322)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Experience adjustment on scheme assets	(3)	15	21	(4)
Experience adjustment on scheme liabilities	-	(43)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

	2015 £'000s	2014 £'000s
Net income	108	6
Capital grants and similar income	(85)	(9)
Investment income	(4)	(4)
Defined benefit pension costs less contributions payable	8	20
Defined benefit pension finance costs/(income)	9	11
Depreciation of tangible fixed assets	69	119
(Increase)/decrease in debtors	35	(11)
Increase/(decrease) in creditors	(22)	(9)
	<u> </u>	<u> </u>
Net cash inflow/(outflow) from operating activities	118	123
	<u> </u>	<u> </u>

19 Reconciliation of net cash flow to movement in net funds

	2015 £'000s	2014 £'000s
Increase/(decrease) in cash	107	99
Net funds at 1 September 2014	640	541
	<u> </u>	<u> </u>
Net funds at 31 August 2015	747	640
	<u> </u>	<u> </u>

20 Analysis of net funds

	At 1 September 2014 £'000s	Cash flows £'000s	Non-cash changes £'000s	At 31 August 2015 £'000s
Cash at bank and in hand	640	107	-	747
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

APPLECROFT SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

21 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	Other 2015 £'000s	2014 £'000s
Expiry date:		
- Between two and five years	3	-
	<u>3</u>	<u>-</u>

22 Capital commitments

	2015 £'000s	2014 £'000s
At 31 August 2015 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	14	-
	<u>14</u>	<u>-</u>

23 Related parties

Owing to the nature of the academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with academy's financial regulations and normal procurement procedures.

No related party transactions occurred during the period.

24 Members' liability

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

25 Agency arrangements

During the year the academy acted as an agent for the children's centre which is on its premises. The academy received Local Authority funding on behalf of the children's centre and paid out expenses on the centre's behalf. This arrangement came to an end during the year, the income and associated expenditure has been excluded from the accounts. At the year end no balance was owed from/to the centre.