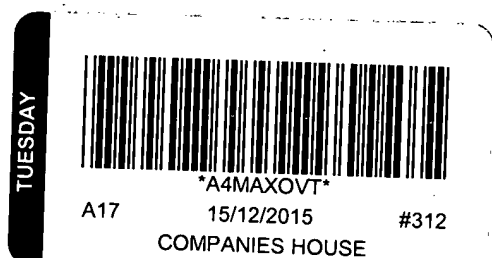


Glen Hills Primary School

Registered number: 07941899

Governors' report and financial statements

For the year ended 31 August 2015



GLEN HILLS PRIMARY SCHOOL
(A Company Limited by Guarantee)

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**GLEN HILLS PRIMARY SCHOOL
(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/
TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees

Mrs J Small, Chair
Mrs C M Kingsley-Mills, Vice Chairman
Mr T J Sutcliffe, Head Teacher
Mrs R L Wesley, Staff Governor
Mrs J de Voil, Staff Governor
Miss A M Smith, Staff Governor
Mr D A Nutbrown
Mr R J Crouch
Mrs M L Sanderson
Mr L J Geraghty
Mrs R C Johnson
Dr M J Tully
Mrs C A Merrill
Mrs C A Wigley
Mrs P M Crowdell (resigned 9 October 2014)
Mr S J Curley
Mrs S Roberts
Mrs M Butterworth
Mrs S Grant (resigned 26 February 2015)
Mrs V Grage
Mrs P Hind
Mr G L Welsh (appointed 26 February 2015)

Mrs S Foreman is the appointed Clerk to the Governors.

Company registered number

07941899

Principal and registered office

Featherby Drive, Glen Parva, Leicester, Leicestershire, LE2 9NY

Chair

Mrs J Small

Independent auditor

Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF

Solicitors

Shakespeares Solicitors (Formerly Harvey Ingram Shakespeares Solicitors), 20 New Walk, Leicester, LE1 6TX

Banker

Lloyds, 13 Crossways House, Lutterworth House, Blaby, Leicestershire, LE8 4DD

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The Governors present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2015.

GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee with no share capital (registration no. 07941899). The company's memorandum and articles of association are the primary governing documents of the Academy. Members of the charitable company are nominated by the Secretary of State for Education. The articles of association require the members of the charitable company to appoint at least four Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Governor information

The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

The Governors who were in office on 31 August 2015 served throughout the entire year (September 1st 2014-August 31st 2015) except where shown on page 1. During the year under review the Governors held four meetings.

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the Academy. 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 which will be made available online through The Learning Platform or documents will be sent as appropriate. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

Method of recruitment and appointment or election of Governors

Governors are appointed through nomination and election (Staff, Local Authority and Parent Governor positions) and Community Governors were appointed or re-appointed at the inception of the Academy. Terms of office for a Governor are based upon four years.

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 academy business. See note 13 for more details.

GLEN HILLS PRIMARY SCHOOL

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

A unified management structure is utilised and this is how the Academy is run. The structure now consists of two levels: the Governors and The Head Teacher/Senior Managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

Specific responsibilities of the committees are outlined below in the relevant terms of reference;

Pay committee

Membership

- The Committee should consist of three Governors, one of which should be the Chair of Governors, and up to two reserve governors. Any governor who is responsible for the Executive Head Teacher's Performance Management cannot attend Pay Committee meetings which discuss any pay increments for the Executive Head Teacher.
- The Executive Head Teacher shall be an automatic member of the committee.
- Staff and the Executive Head Teacher shall withdraw from any part of a meeting in which they have any pecuniary interest.

Quorum

The quorum shall be three non-staff Governors.

Meetings

The Committee shall meet annually (following Performance Management reviews) to discuss any pay proposals based upon performance management outcomes.

Terms of Reference

The Executive Head Teacher, in conjunction with the Pay Committee, is responsible to the Governing Body for implementing the Whole School Pay Policy. The terms of reference for the pay committee will be to:

- Achieve the aims of the Whole School Pay Policy.
- Make recommendations on staff salaries and wages.
- Apply fairly, criteria related to discretionary areas of pay which are identified within the pay policy.
- Receive an agreed assessment of the performance of the Executive Head Teacher and any other staff on the Leadership scale against agreed performance criteria.
- Determine pay at the time of annual review for all teaching staff including the Executive Head Teacher and any other staff on the Leadership scale.
- Ensure that statutory and contractual requirements are applied to all staff groups.
- Ensure that staff are notified in writing of decisions made along with details of the agreed appeals procedure.

Finance committee

Membership

The committee should consist of up to twelve Governors of whom one is the Executive Head Teacher. If not a Governor, the Head of School would be invited to join the committee as a non-voting observer. The Finance Committee shall endeavour to maintain a link (through a common Governor) to the other two Governor Committees; i.e., Curriculum and Management. If the Chair of the Finance Committee is unavailable to attend a meeting, a Vice Chair will be appointed for the meeting and will assume the role of Chair in all matters.

GLEN HILLS PRIMARY SCHOOL

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

Quorum

The quorum shall be three Governors.

Meetings

The Committee shall meet twice a term or otherwise as necessary.

Terms of Reference

Monetary

- To provide guidance and assistance to the Executive Head Teacher, Strategic Leadership team and the Governing Body in all matters relating to budgeting and finance.
- To review financial policy statements, including consideration of long term planning and resourcing.
- Monitor and ensure that the requirements of the Statement of Internal Control are adhered to and that the document is signed as required.
- At the Summer Term meeting approval of the first formal budget plan for the new financial year.
- To receive regular reports on the Schools income and expenditure, showing a comparison of those against the budget estimates and to take remedial action where necessary.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
 - authorising the award of contracts over £4,00;
 - authorising changes to the academy personnel establishment; and
 - reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Governing Body.
- To review the School Finance Policy on an annual basis.
- To check on Governors travelling and subsistence expenses.
- The Finance Committee will consider all audit matters and consideration of audit proposals in their meetings as and when appropriate. Any decisions relating to audit matters taken by the Finance Committee will be reported to the Full Governing Body at the earliest opportunity.
- To monitor and account for the expenditure of grants including Pupil Premium, PE funding etc. School Development Plan.
- To consider each year's school development plan, identify the priorities and present an annual budget to the Governing Body for approval.

Site and Buildings

- To receive regular reports on the Schools property and to make recommendations on the work to be done in collaboration with the Management Committee.
- Assist with the preparation and implementation of Contracts for the works arising out of the above.

Personnel

- To agree and regularly review policies and procedures relevant to current School Teachers pay, conditions of Employment and to make recommendations as appropriate to Management/Pay Committees with due reference to Performance Management. NB Pay decisions for teaching staff not on Leadership Scale will be made prior to the relevant proposed pay increase which will take effect from September of that year.
- To review the Staffing Structure as appropriate in relation to the Schools Development Plan.

Management Committee

Membership

The committee should consist of up to twelve Governors of whom one is the Executive Head. If not a Governor, the Head of School would be invited to join the committee as a non-voting observer. The Management Committee shall endeavour to maintain a link (through a common Governor) to the other two Governor committees; i.e., Curriculum and Finance. If the Chair of the Management Committee is unavailable to attend a meeting, a Vice Chair will be appointed for the meeting and will assume the role of Chair in all matters. The committee may have such co-opted non-voting members as the Governing Body shall appoint. The committee may make recommendations for these appointments.

GLEN HILLS PRIMARY SCHOOL

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

The Executive Head Teacher is entitled to attend any meeting of the Committee except in circumstances where the regulations require the withdrawal.

Quorum

The quorum shall be three Governors.

Meetings

The Committee shall meet twice a term and otherwise as required.

Terms of Reference

School Development Plan

- To contribute to and review progress towards the School Development Plan annually and to make recommendations to the Governing Body.

Site, Building, Health, and Safety

- To provide support and guidance for the Executive Head Teacher on all matters relating to the school premises, grounds security and health and safety.
- To prepare a statement of priorities for maintenance and development for the approval of the Governing Body.
- To make recommendations on the arrangements for and prioritisation of maintenance, repairs, and redecoration to the Finance Committee for budget allocation.
- To oversee the preparation and implementation of contracts in conjunction with the Executive Head Teacher and Finance Committee as appropriate.
- To ensure that the school complies with health and safety regulations.
- To ensure any necessary liaison with the Local Authority's Property Services Department.

Personnel

- Consultation – To keep under review a policy statement on staff consultation for approval by the Governing Body and to undertake any formal consultation on personal matters.
- Discipline/Grievance – Keep under review the procedures for dealing with discipline and grievances and ensure that the staff are informed of them.
- Redundancy – Keep under review the procedures for dealing with redundancy.
- Salaries – To agree and regularly review policies and procedures relevant to current School Teachers pay conditions of Employment and to make recommendations as appropriate to the Finance/Pay Committee.
- Staffing Structure – To review the staffing structure whenever a vacancy occurs and in relation to the schools' development plan.
- Staff Training and Development – To ensure that the arrangements for Performance Management and development are in place and to monitor the programme for staff development and training to ensure that the needs of the school and its staff are being met.
- Staff recruitment and Selection
 - To delegate to the Executive Head Teacher the appointment of supply and temporary contract staff.
 - To ensure that all procedures relating to the recruitment, selection and appointment of staff are in place and that they are kept under review and following any changes in legislation.
 - Non-Teaching governors are encouraged to participate in the short listing and interviewing of candidates for teaching posts in conjunction with the Executive Head Teacher, Head of School or any other member of Strategic Leadership Team as appropriate. (note special arrangements apply to the appointment of Head Teachers and Deputies as specified in the Schools' Articles of Government, the Education Reform Act 1988 and the 1991 amendment to the 1989 Regulation, 25.)
- To agree and keep under review any other policies and procedures for the management of human resources and make recommendations to the Governing Body or other Committees as appropriate.

Marketing and Public Relations

- To assist the Executive Head Teacher in promoting good relationships with parents and the community.
- To assist the Executive Head Teacher in recruiting the support and involvement of business and industry.

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

- To formulate a publicity and marketing policy for approval by the Governing Body and oversee its implementation.

Curriculum Committee

Membership

- The membership shall consist of no fewer than four Governors including the Executive Head Teacher or a member of the Strategic Leadership Team.
- The Curriculum Committee may invite such staff or specialists as the Executive Head Teacher or Chair shall determine, in consultation with his or her colleagues, to attend meetings as appropriate.

Quorum

- The quorum shall be three members including the Head Teacher or a member of the Strategic Leadership Team.

Meetings

- The Committee shall meet at least once per term or otherwise as agreed.

Terms of Reference:-

- To advise the Governing Body on the School's curriculum statement and its approach regarding the National Curriculum.
- With the assistance of the staff, to provide information about how the curriculum is taught, evaluated and resourced.
- To review the mandatory policies for the school i.e. Collective Worship, Religious Education and Sex Education and to make appropriate recommendations.
- To review other policies as required according to the 4 year rolling programme or as necessary. (Please refer to P.2 for process of document review).
- To ensure that the requirements of children with special educational needs are met.
- To review school performance data.
- To contribute towards the annual School Development Plan and the five year School Strategic Plan.
- To review any current OFSTED developments as appropriate.
- To review the school self evaluation process as appropriate.

The Senior Managers are the Executive Head Teacher, Head of School, the two Assistant Head Teachers and the Director of Finance and Administration. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Governor. Some spending control is devolved to members of the Management Team, with limits above which a Senior Manager must countersign.

The Management Team includes the Senior Management, the five Heads of School and the seven Curriculum Area Managers. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

Connected organisations, including related party relationships

The Academy is an independent company in all aspects. The Fosse Trust (Registered Company Number 07966196) is an 'umbrella' trust within which members of Glen Hills Primary School, Fairfield Primary School and South Wigston High School each contribute and account for one third of the trust. The primary aim of the Fosse Trust is to secure pay and conditions for staff 'at least' at National Standards. The Fosse Trust holds no financial position.

GLEN HILLS PRIMARY SCHOOL

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances and systems are in place to mitigate those risks. The Governors assessed risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance and produced the Risk Register - Strategic and Reputational Risks document. They monitor systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

Statement on the system of internal financial control

The Governors acknowledge they have overall responsibility for ensuring that Glen Hills Academy has an effective and appropriate system of control, financial and otherwise. The Governors also ensure proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy are maintained which enable the Academy to ensure the financial statements comply with the Companies Act. The Governors also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- The Academy is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- The proper records are maintained and financial information used within the Academy or for publication is reliable; and
- The Academy complies with relevant laws and regulations.

The Academy's system of internal financial control is based on the Financial Manual, 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 Finance Committee and subsequently the Full Governing Body;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Governors have:-

- Set procedure (contained within the Financial Manual and the Risk Register - Strategic and Reputational Risks) on internal controls which cover the following:
- The type of risks the Academy faces;
- The level of risks which they regard as acceptable;
- The likelihood of the risks materialising;
- The Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
- The costs of operating particular controls relative to the benefits obtained;
- Ensured the Strategic Management Team implement the Governors' policies and identify and evaluate risks for the Governors' consideration;
- Employees understand that they have responsibility for internal control as part of their accountability for achieving objectives;
- Embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy;
- Developed systems to respond quickly to evolving risks arising from factors within the Academy and to

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

- changes in the external environment; and
- Included procedures for reporting failings immediately to appropriate levels of management and the Governors together with details of corrective action being undertaken.

The Governors have maintained the Annual signed Statement of Internal Financial Control and this has been presented to the Finance Committee and Full Governing Body.

The Governors have appointed Leicestershire Local Authority to undertake the role of Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

OBJECTIVES AND ACTIVITIES

Objective

The principal object of the charitable company is the operation of Glen Hills is to provide education for pupils of different abilities between the ages of 4 and 11.

The main objectives of the Academy are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Aims, strategies and activities

The Academy's main strategy is encompassed in its mission statement which is 'Education Today For Tomorrow'.

At Glen Hills we aim to provide a safe, happy and stimulating learning environment which enables each child to reach his/her full potential by:-

- Working as a team comprising children, staff, parents, governors, outside agencies and visitors;
- Valuing the contribution of each individual within that team;
- Providing a broad varied curriculum planned to suit the individual child yet within the 'Desirable Outcomes' and the National Curriculum framework;
- Promoting justice and good standards of behaviour and discipline;
- Showing and encouraging respect and tolerance for the school community as well as each other;
- Promoting equality of opportunity regardless of race, religion, gender, social background or ability;
- Promoting links with other schools as well as the local and wider community;
- Recognising the needs and nurturing strengths.

GLEN HILLS PRIMARY SCHOOL

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

As a result of such an environment we hope our children will :

- Be confident and at ease with themselves and others;
- Become independent, self disciplined and self motivated;
- Have respect for themselves, each other and the environment;
- Be keen to learn and able to set, and achieve, realistic goals of a high standard;
- Be valued as an individual and as a member of the community, both within the school and beyond;
- Become literate, numerate, communicative, creative and co-operative.

Public benefit

'Public benefit' is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate that its aims are for the public benefit if it is to be recognised, and registered, as a charity in England and Wales.

The three underlying principles for the Charity are as follows:

- It must be clear what the benefits are
- The benefits must be related to the aims
- Benefits must be balanced against any detriment or harm.

The Aims and Objectives of Glen Hills Primary School are outlined in the section above but in ensuring the school focuses upon these aims, the following has been taken into consideration by the Governing Body;

- The beneficiaries must be appropriate to the aims
- Where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted
- People in poverty must not be excluded from the opportunity to benefit
- Any private benefits must be incidental.

These principles underline the work undertaken at Glen Hills and, through monitoring and evaluation of procedures and policies, the Governing Body ensure that the Academy has complied with their duties.

The Academy's catchment area encompasses a 'mixed' catchment area; children from private and council housing are within our catchment area. First-time admissions to the school remain the decision of Leicestershire Local Authority and are based upon our Admissions Policy WEF 1/9/13.

The OfSTED rating as an 'Outstanding' school remains in place and the continual improvements in academic progress ensure our pupils benefit from the education we provide.

Charitable donations

Governors have noted that charitable donations from the Academy have not exceeded £2,000.

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

Strategic Report

ACHIEVEMENTS AND PERFORMANCE

Review of activities

At Glen Hills, our results are above or well above the National Averages:

KS1

Phonics screening – Year 1

Glen Hills result - 86% compared to the National Average for 2015 of 77%.

KS1 SATs

All Glen Hills KS1 results are shown below as percentages:

	Level 2 and above		Level 2b+ and above		Level 3 and above	
	GH 2015	National 2015	GH 2015	National 2015	GH 2015	National 2015
Reading	93	91	90	82	42	32
Writing	95	88	82	72	24	18
Maths	96	93	93	82	34	26

KS2 Assessment

	Level 4 and above		Level 5 and above	
	GH 2015	National 2015	GH 2015	National 2015
Reading	93	89	47	48
Writing	95	87	41	36
Maths	95	87	49	42
Grammar, Spelling and Punctuation	82	80	53	55

2015 Key Stage 2 Combined Reading, Writing and Maths Level 4 and above:

GH	National 2015
92%	80%

Reading % of pupils making 2+ levels progress from end of KS1 = 89.1% (NA 94%)

Writing % of pupils making 2+ levels progress from end of KS1 = 100% (NA 96%)

Maths % of pupils making 2+ levels progress from end of KS1 = 93.2% (NA 93%)

Employees and disabled persons and Equal opportunities / Equality policy and Schemes

The average number of employees at Glen Hills does not exceed 250.

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

GLEN HILLS PRIMARY SCHOOL

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

Fixed assets

It is noted that the Governors are in agreement with the provided valuation of the land and building.

Going concern

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

Key financial performance indicators

The Finance Committee at Glen Hills review financial performance indicators through six budget monitoring exercises per year where the current financial position is scrutinised. This in turn is presented to Full Governors three times a year plus a commentary.

In conjunction with this, financial indicators based upon current vs historic spending totals / per-pupil are also scrutinised.

FINANCIAL REVIEW

Financial report

The vast majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure is shown as restricted funds in the statement of financial activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), any received grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Financial and risk management objectives and policies (including principal risks and uncertainties)

The risks faced by the Academy are outlined in the Risk Register and the Governors are continually aware and are monitoring any risks associated with the academy.

Reserves and procedure for managing reserves

The Academy's "free reserves" are its funds after excluding restricted funds. "Free reserves" are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy which is to be spent at the trustees' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2015

The Governors review the reserve levels of the Academy in Finance Committee meetings which take place six times per year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is negative reserves of £67,462 which is less than is needed. The Academy and the Governors are aware of the significant pension fund deficit for the Local Government Pension Scheme (LGPS). This however does not mean that this is an immediate liability as employer contributions have been set at a level which responds to the deficit level and will be reviewed every 3 years to ensure that this continues to be the case.

Financial position

The Academy held fund balances at 31 August 2015 of £4,778,157 (2014 - £4,941,245) comprising £148,238 (2014 - £160,139) of restricted funds and deficit of £67,462 (2014 - £63,459) of unrestricted general funds and a pension reserve deficit of £690,000 (2014 - £627,000). The unrestricted general fund is in a deficit position as a result of overspending on capital projects during the year and in previous years.

GLEN HILLS PRIMARY SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Investments policy

Our investment procedures form part of our Finance Policy.

PLANS FOR THE FUTURE

Future developments

The Academy will continue striving to improve the levels of performance of its students at all levels to be well above national levels in all areas whilst providing a rich, balanced and exciting curriculum and wider curriculum.

PROVISION OF INFORMATION TO AUDITORS

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Governor 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.

Auditor

The auditor, Mazars LLP, has indicated its willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditor at a meeting of the Governors.

This report, incorporating the Strategic Report, was approved by order of the board of Governors, as the company directors, on **11/12/15** and signed on the board's behalf by:



Mrs J Small, Chair
Chair of Governors

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of Governors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Glen Hills Primary 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 Articles of Association. The board of Governors has formally met 4 times during the year. Attendance during the year at meetings of the board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mrs J Small, Chair	2	4
Mrs C M Kingsley-Mills, Vice Chairman	3	4
Mr T J Sutcliffe, Head Teacher	4	4
Mrs R L Wesley, Staff Governor	4	4
Mrs J de Voil, Staff Governor	3	4
Miss A M Smith, Staff Governor	3	4
Mr D A Nutbrown	2	4
Mr R J Crouch	3	4
Mrs M L Sanderson	1	4
Mr L J Geraghty	1	4
Mrs R C Johnson	4	4
Dr M J Tully	4	4
Mrs C A Merrill	4	4
Mrs C A Wigley	2	4
Mrs P M Crowdell	3	4
Mr S J Curley	4	4
Mrs S Roberts	4	4
Mrs M Butterworth	2	4
Mrs S Grant	0	2
Mrs V Grage	4	4
Mrs P Hind	3	4
Mr G L Welsh	0	0

The Finance Committee is a sub-committee of the main governing body. Its purpose is to assist in ensuring financial stability, transparency and effective financial procedures are maintained at Glen Hills. Attendance at meetings in the year (WEF 1/9/14 until 31/8/15).

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr S Curley - Chair	5	5
Mr T J Sutcliffe	5	5
Mrs P Hind	5	5
Mrs R L Wesley	5	5
Mrs J Small	3	5
Mr D A Nutbrown	3	5
Mr R J Crouch	5	5
Mrs P M Crowdell	1	1
Mr L J Geraghty	1	5
Miss A M Smith	3	5

Review of Value for Money

As accounting officer the head teacher 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 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:

- Investigating greater procurement opportunities by utilising both Fairfield Community Primary and Glen Hills Primary to purchase some items/services together to ensure lower cost is involved.
- Utilising the skills of staff to provide 'in-house' support rather than accessing external agencies.

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 Glen Hills Primary 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.

Capacity to Handle Risk

The board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

The Risk and Control Framework

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

GLEN HILLS PRIMARY SCHOOL

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GOVERNANCE STATEMENT (continued)

- 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; and
- identification and management of risks.

The board of Governors has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

On a quarterly basis, the internal auditor reports to the board of Governors on the operation of the systems of control and on the discharge of the board of Governors' financial responsibilities.

Review of Effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to be carried out and monitored of the system is in place.

Approved by order of the members of the board of Governors on 1 December 2015 and signed on its behalf, by:



Mrs J Small, Chair
Governor



Mr T Sutcliffe
Executive Headteacher / Accounting Officer

GLEN HILLS PRIMARY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Glen Hills Primary School I have considered my responsibility to notify the Academy board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy board of Governors are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2014).

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.



Mr T Sutcliffe
Accounting Officer

Date: 1 December 2015

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

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

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

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

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

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

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

Approved by order of the members of the board of Governors on 1/12/15 and signed on its behalf by:



Mrs J Small
Chair of Governors

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLEN HILLS PRIMARY SCHOOL

We have audited the financial statements of Glen Hills Primary School for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Governors and auditor

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

The Governors have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**GLEN HILLS PRIMARY SCHOOL
(A Company Limited by Guarantee)**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLEN HILLS PRIMARY SCHOOL

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Governors' Report is inconsistent in any material respect with the financial statements; or
- the Academy has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Stephen Brown (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 11 December 2015

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 9 September 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 Glen Hills Primary School during the year 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 Glen Hills Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Glen Hills Primary School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Glen Hills Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Glen Hills Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Glen Hills Primary 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 year 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 EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

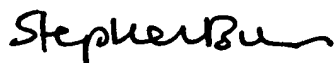
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

**GLEN HILLS PRIMARY SCHOOL
(A Company Limited by Guarantee)**

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Stephen Brown (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 11 December 2015

GLEN HILLS PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds for the year 2015 £	Total fund for the year 2014 £
Incoming resources						
Incoming resources from generated funds:						
Activities for generating funds	2	36,951	-	-	36,951	53,388
Investment income	3	344	-	-	344	417
Incoming resources from charitable activities	4	-	2,141,148	9,659	2,150,807	2,006,377
Other incoming resources	5	-	72,792	-	72,792	73,063
Total incoming resources		37,295	2,213,940	9,659	2,260,894	2,133,245
Resources expended						
Charitable activities	7+8	29,308	2,258,341	105,833	2,393,482	2,113,267
Governance costs	9	-	6,500	-	6,500	10,503
Total resources expended	6	29,308	2,264,841	105,833	2,399,982	2,123,770
Net incoming / (outgoing) resources before transfers		7,987	(50,901)	(96,174)	(139,088)	9,475
Transfers between Funds	19	(11,990)	-	11,990	-	-
Net income / (expenditure) for the year		(4,003)	(50,901)	(84,184)	(139,088)	9,475
Actuarial gains and losses on defined benefit pension schemes	24	-	(24,000)	-	(24,000)	(140,000)
Net movement in funds for the year		(4,003)	(74,901)	(84,184)	(163,088)	(130,525)
Total funds at 1 September 2014	19	(63,459)	(466,861)	5,471,565	4,941,245	5,071,770
Total funds at 31 August 2015	19	(67,462)	(541,762)	5,387,381	4,778,157	4,941,245

All of the academy's activities derive from continuing operations.

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

The notes on pages 27 to 46 form part of these financial statements.

GLEN HILLS PRIMARY SCHOOL

Registered number: 07941899

(A Company Limited by Guarantee)**BALANCE SHEET****AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	15		5,387,381		5,471,565
Current assets					
Debtors	16	44,315		47,010	
Cash at bank		266,481		193,898	
		<u>310,796</u>		<u>240,908</u>	
Creditors: amounts falling due within one year	17	<u>(217,786)</u>		<u>(125,154)</u>	
Net current assets			93,010		115,754
Total assets less current liabilities			<u>5,480,391</u>		<u>5,587,319</u>
Creditors: amounts falling due after more than one year	18		<u>(12,234)</u>		<u>(19,074)</u>
Net assets excluding pension scheme liability			5,468,157		5,568,245
Defined benefit pension scheme liability	24		<u>(690,000)</u>		<u>(627,000)</u>
Net assets including pension scheme liability			<u><u>4,778,157</u></u>		<u><u>4,941,245</u></u>
Funds of the academy					
Restricted funds:					
Restricted funds	19	148,238		160,139	
Restricted fixed asset funds	19	5,387,381		5,471,565	
		<u>5,535,619</u>		<u>5,631,704</u>	
Restricted funds excluding pension liability					
Pension reserve	19	<u>(690,000)</u>		<u>(627,000)</u>	
Total restricted funds			4,845,619		5,004,704
Unrestricted funds	19		<u>(67,462)</u>		<u>(63,459)</u>
Total funds			<u><u>4,778,157</u></u>		<u><u>4,941,245</u></u>

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

GLEN HILLS PRIMARY SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2015

The financial statements were approved by the Governors, and authorised for issue, on 1/12/15
and are signed on their behalf, by:



Mrs J Small, Chair
Chair of Governors

The notes on pages 27 to 46 form part of these financial statements.

GLEN HILLS PRIMARY SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	21	94,232	116,634
Capital expenditure and financial investment	22	(21,649)	(49,205)
Increase in cash in the year		<u>72,583</u>	<u>67,429</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase in cash in the year	<u>72,583</u>	<u>67,429</u>
Movement in net funds in the year	<u>72,583</u>	<u>67,429</u>
Net debt at 1 September 2014	167,984	100,555
Net debt at 31 August 2015	<u>240,567</u>	<u>167,984</u>

The notes on pages 27 to 46 form part of these financial statements.

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Incoming resources

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

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

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

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

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

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.3 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.4 Fund accounting

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

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

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

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

1.5 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 Academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

A review for impairment of assets is carried out if events or changes in circumstances indicate that the carrying value may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1. Accounting Policies (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2 % straight line
L/Term Leasehold Property	-	2 % straight line
Fixtures and fittings	-	12.5 % straight line

All depreciation is charged as a direct cost against the restricted fixed asset fund.

Land is not depreciated.

1.7 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Taxation

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

GLEN HILLS PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.9 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds for the year 2015 £	Total fund for the year 2014 £
Hire of facilities	327	-	327	609
Catering income	36,624	-	36,624	52,779
	<u>36,951</u>	<u>-</u>	<u>36,951</u>	<u>53,388</u>

GLEN HILLS PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

3. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds for the year 2015 £	Total fund for the year 2014 £
Investment income	344	-	344	417

4. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds for the year 2015 £	Total fund for the year 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,976,734	1,976,734	1,939,810
Other DfE/EFA grants	-	26,594	26,594	23,037
Devolved formula capital allocations	-	137,820	137,820	-
	-	2,141,148	2,141,148	1,962,847
Other government grants				
Other grants	-	-	-	34,681
	-	-	-	34,681
DfE/EFA capital grants				
Capital grants	-	9,659	9,659	8,849
	-	9,659	9,659	8,849
	-	2,150,807	2,150,807	2,006,377

5. Other incoming resources

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds for the year 2015 £	Total funds for the year 2014 £
Academy trips	-	60,320	60,320	65,161
Sundry income	-	12,472	12,472	7,902
	-	72,792	72,792	73,063

GLEN HILLS PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

6. Resources expended

	Staff costs	Other costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Direct - Restricted	1,669,359	245,099	1,914,458	1,769,035
Support - Restricted	134,623	315,093	449,716	313,975
Support costs - Unrestricted	-	29,308	29,308	30,257
	<u>1,803,982</u>	<u>589,500</u>	<u>2,393,482</u>	<u>2,113,267</u>
Charitable activities	<u>1,803,982</u>	<u>589,500</u>	<u>2,393,482</u>	<u>2,113,267</u>
Governance	<u>-</u>	<u>6,500</u>	<u>6,500</u>	<u>10,503</u>
	<u>1,803,982</u>	<u>596,000</u>	<u>2,399,982</u>	<u>2,123,770</u>

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7. Direct costs

	Restricted funds 2015 £	Total 2015 £	Total 2014 £
Pension finance expense (Note 14)	11,000	11,000	16,000
Educational Supplies	71,520	71,520	68,195
Staff Development	9,345	9,345	6,512
Supply teachers costs	98,924	98,924	113,397
Other direct costs	2,074	2,074	547
Educational visits	45,327	45,327	57,701
Loss on disposal	-	-	894
Wages and salaries	1,265,363	1,265,363	1,140,352
National insurance	82,705	82,705	74,304
Pension cost	222,367	222,367	186,835
Depreciation	105,833	105,833	104,298
	1,914,458	1,914,458	1,769,035

8. Support costs

	Restricted Funds 2015 £	Unrestricted funds 2015 £	Total 2015 £	Total 2014 £
Maintenance of premises and equipment	43,843	-	43,843	25,706
Cleaning	4,703	-	4,703	3,359
Rent, rates and utilities	40,024	-	40,024	23,602
Insurance	34,421	-	34,421	32,260
Other support costs	192,102	-	192,102	103,313
Catering expenses	-	29,308	29,308	30,257
Wages and salaries	109,013	-	109,013	103,983
National insurance	4,855	-	4,855	3,924
Pension cost	20,755	-	20,755	17,828
	449,716	29,308	479,024	344,232

9. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds for the year 2015 £	Total funds for the year 2014 £
Governance Auditors' remuneration	-	4,500	4,500	4,250
Governance Auditors' non audit costs	-	2,000	2,000	1,800
Accountancy support costs	-	-	-	4,453
	-	6,500	6,500	10,503

Auditors' remuneration includes both the statutory audit and regularity assurance work.

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

10. Net incoming / (outgoing) resources

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	105,833	104,298
Auditor's remuneration	4,500	4,250
Auditor's remuneration - non-audit	2,000	1,800
Operating lease rentals:		
- other operating leases	409	393
	<u>112,742</u>	<u>110,741</u>

11. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,374,376	1,244,335
Social security costs	87,560	78,228
Other pension costs (Note 24)	243,122	204,663
	<u>1,705,058</u>	<u>1,527,226</u>
Supply teacher costs	98,924	113,397
	<u>1,803,982</u>	<u>1,640,623</u>

b. Staff numbers

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

	2015 No.	2014 No.
Teachers	20	21
Administration and support	34	28
Management	4	4
	<u>58</u>	<u>53</u>

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11. Staff (continued)

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	-
	<hr/>	<hr/>
	2	1
	<hr/>	<hr/>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £16,215 (2014 - £9,740).

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12. Governors' remuneration and expenses

During the year retirement benefits were accruing to 5 Governors (2014 - 5) in respect of defined benefit pension schemes.

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

	2015	2014
	£'000	£'000
Mr T J Sutcliffe, Head Teacher and Governor	80-85	65-70
Mrs P Hind, Staff Governor	20-25	20-25
Mrs R L Wesley, Staff Governor	60-65	50-55
Mrs J de Voil, Staff Governor	40-45	40-45
Miss A M Smith, Staff Governor	40-45	40-45

During the year, no Governors received any reimbursement of expenses (2014 - £NIL).

13. Governors' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3 million on any one claim and the cost for the year ended 31 August 2015 was £1,242 (2014 - £1,242). The cost of this insurance is included in the total insurance cost.

14. Pension finance expense

	2015	2014
	£	£
Expected return on pension scheme assets	37,000	27,000
Interest on pension scheme liabilities	(48,000)	(43,000)
	<u>(11,000)</u>	<u>(16,000)</u>

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15. Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 September 2014	5,679,044	47,060	5,726,104
Additions	11,108	10,541	21,649
At 31 August 2015	5,690,152	57,601	5,747,753
Depreciation			
At 1 September 2014	240,512	14,027	254,539
Charge for the year	99,181	6,652	105,833
At 31 August 2015	339,693	20,679	360,372
Net book value			
At 31 August 2015	5,350,459	36,922	5,387,381
At 31 August 2014	5,438,532	33,033	5,471,565

16. Debtors

	2015 £	2014 £
Trade debtors	7,789	13,253
Other debtors	9,317	21,978
Prepayments and accrued income	27,209	11,779
	<u>44,315</u>	<u>47,010</u>

17. Creditors:
Amounts falling due within one year

	2015 £	2014 £
Other loans	13,680	6,840
Trade creditors	72,859	20,032
Other taxation and social security	54,616	42,980
Accruals and deferred income	76,631	55,302
	<u>217,786</u>	<u>125,154</u>

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

18. Creditors:
Amounts falling due after more than one year

	2015	2014
	£	£
Other loans	12,234	19,074
	<u> </u>	<u> </u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2015	2014
	£	£
Repayable by instalments	-	5,394
	<u> </u>	<u> </u>

The above loan is a government interest free loan for improving efficiency of the building.

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

19. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	(63,459)	37,295	(29,308)	(11,990)	-	(67,462)
Restricted funds						
Other Restricted Funds	160,139	2,213,940	(2,225,841)	-	-	148,238
Pension reserve	(627,000)	-	(39,000)	-	(24,000)	(690,000)
	(466,861)	2,213,940	(2,264,841)	-	(24,000)	(541,762)
Restricted fixed asset funds						
Capital donations	5,471,565	9,659	(105,833)	11,990	-	5,387,381
Total restricted funds	5,004,704	2,223,599	(2,370,674)	11,990	(24,000)	4,845,619
Total of funds	4,941,245	2,260,894	(2,399,982)	-	(24,000)	4,778,157

A transfer of £11,990 has been made to the restricted fixed asset fund as a result of the academy overspending on capital projects during the year and in previous years.

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

Other restricted funds at the year end relates to unspent DfE/EFA income.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Gains/ (Losses) £	Carried Forward £
General funds	(63,459)	37,295	(29,308)	(11,990)	-	(67,462)
Restricted funds	(466,861)	2,213,940	(2,264,841)	-	(24,000)	(541,762)
Restricted fixed asset funds	5,471,565	9,659	(105,833)	11,990	-	5,387,381
	4,941,245	2,260,894	(2,399,982)	-	(24,000)	4,778,157

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

20. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds for the year 2015 £	Total fund for the year 2014 £
Tangible fixed assets	-	-	5,387,381	5,387,381	5,471,565
Current assets	(67,462)	378,258	-	310,796	240,908
Creditors due within one year	-	(217,786)	-	(217,786)	(125,154)
Creditors due in more than one year	-	(12,234)	-	(12,234)	(19,074)
Provisions for liabilities and charges	-	(690,000)	-	(690,000)	(627,000)
	<u>(67,462)</u>	<u>(541,762)</u>	<u>5,387,381</u>	<u>4,778,157</u>	<u>4,941,245</u>

21. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	(139,088)	9,475
Depreciation of tangible fixed assets	105,833	104,298
Loss on disposal of fixed assets	-	894
(Increase)/ decrease in debtors	2,696	(6,602)
Increase/(decrease) in creditors	85,791	(19,431)
FRS 17 adjustments	39,000	28,000
Net cash inflow from operations	<u>94,232</u>	<u>116,634</u>

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

22. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(21,649)	(49,205)

23. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	193,898	72,583	-	266,481
Debt:				
Debts due within one year	(6,840)	-	(6,840)	(13,680)
Debts falling due after more than one year	(19,074)	-	6,840	(12,234)
Net funds	167,984	72,583	-	240,567

24. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 August 2015.

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

Teachers' Pension Scheme

Introduction

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

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

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

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

24. Pension commitments (continued)

investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and

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24. Pension commitments (continued)

liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £105,000, of which employer's contributions totalled £82,000 and employees' contributions totalled £23,000. The agreed contribution rates for future years are 24% for employers and variable% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,432,000)	(1,247,000)
Fair value of scheme assets	742,000	620,000
	<u> </u>	<u> </u>
Net liability	<u>(690,000)</u>	<u>(627,000)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(110,000)	(86,000)
Interest on obligation	(48,000)	(43,000)
Expected return on scheme assets	37,000	27,000
	<u> </u>	<u> </u>
Total	<u>(121,000)</u>	<u>(102,000)</u>
	<u> </u>	<u> </u>
Actual return on scheme assets	<u>26,000</u>	<u>56,000</u>

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

	2015 £	2014 £
Opening defined benefit obligation	1,247,000	892,000
Current service cost	110,000	86,000
Interest cost	48,000	43,000
Contributions by scheme participants	23,000	21,000
Actuarial Losses	13,000	227,000
Benefits paid	(9,000)	(22,000)
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u>1,432,000</u>	<u>1,247,000</u>

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

24. Pension commitments (continued)

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

	2015	2014
	£	£
Opening fair value of scheme assets	620,000	433,000
Expected return on assets	37,000	27,000
Actuarial gains and (losses)	(11,000)	87,000
Contributions by employer	82,000	74,000
Contributions by employees	23,000	21,000
Benefits paid	(9,000)	(22,000)
	<u>742,000</u>	<u>620,000</u>

The Academy expects to contribute £90,000 to its Defined Benefit Pension Scheme in 2016.

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

	2015	2014
Equities	66.00 %	70.00 %
Government bonds	21.00 %	17.00 %
Property	11.00 %	10.00 %
Cash/liquidity	2.00 %	3.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.50 %
Rate of increase in salaries	4.50 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %

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

	2015	2014
Retiring today		
Males	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

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24. Pension commitments (continued)

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

Defined benefit pension schemes

	2015	2014	2013
	£	£	£
Defined benefit obligation	(1,432,000)	(1,247,000)	(892,000)
Scheme assets	742,000	620,000	433,000
Deficit	<u>(690,000)</u>	<u>(627,000)</u>	<u>(459,000)</u>
Experience adjustments on scheme liabilities	(13,000)	(227,000)	(55,000)
Experience adjustments on scheme assets	<u>(11,000)</u>	<u>87,000</u>	<u>23,000</u>

25. Operating lease commitments

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

	2015	2014
	£	£
Expiry date:		
Within 1 year	<u>409</u>	<u>393</u>

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FOR THE YEAR ENDED 31 AUGUST 2015

26. Related party transactions

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, transactions may take place with organisations in which a Governors 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.

During the year the Executive Headteacher of Glen Hills was also appointed as the Executive Headteacher of Fairfield Community Primary School, who is also a member of the Fosse Trust. The cost of the headteachers time was recharged totalling £26,595 (2014: £nil). There were no amounts outstanding at the year end. No other related party transactions took place in the period except wages paid to staff Governors as stated in note 13 (2014 - same).