

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

<b>Trustees</b>	Mrs J Heath, Chair of Trustees <sup>1,2,3</sup> Dr E Ryves (resigned 10 November 2014) <sup>3</sup> Rev L Brabin-Smith Mrs V Brightwell, Staff Trustee <sup>1</sup> Mrs D Clark <sup>2</sup> Mr K Donaghey <sup>3</sup> Mrs E Moore, Headteacher <sup>1,2,3</sup> Dr N Moore <sup>1</sup> Mrs P O'Flynn <sup>1</sup> Mrs F Rendall <sup>2,3</sup> Mr P Rendall <sup>1</sup> Mrs S Whitehead, Staff Trustee <sup>3</sup>
<b>Members</b>	The Diocese of Leicester Educational Trust Rev D White The Venerable D Newman Mrs J Heath  <sup>1</sup> Finance and General Purposes Committee <sup>2</sup> Curriculum and Standards Committee <sup>3</sup> Safeguarding, Health and Safety Committee
<b>Company registered number</b>	8248063
<b>Registered office</b>	Hoby Road Thrussington Leicester Leicestershire LE7 4TH
<b>Senior management team</b>	Mrs E Moore, Headteacher
<b>Independent auditors</b>	Clear & Lane Limited 340 Melton Road Leicester LE4 7SL
<b>Bankers</b>	NatWest Plc 11 Western Boulevard Bede Island Leicester LE2 7EJ
<b>Solicitors</b>	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

**THRUSSTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Thrussington Church of England Primary School (the academy) for the ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**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 act as the trustees for the charitable activities of Thrussington Church of England Primary School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Thrussington Church of England Primary School. The charitable company was incorporated on 10 October 2012. The School converted to academy status on 1 November 2012 when operations, assets and liabilities were transferred to the academy from the local authority.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative details.

• **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.

• **Method of recruitment and appointment or election of Trustees**

Trustees are appointed as follows:

Parent Trustees	Through open election for all eligible parents or guardians of students who attend Thrussington Church of England Primary School. <u>Article 51</u> Subject to Article 57, the Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he is elected. <u>Article 57</u> The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.
Staff Trustees	Through open election for all eligible members of staff working at Thrussington Church of England Primary School. <u>Article 50A</u> The Members may appoint 1 Staff Trustee through such process as they may determine, provided that the total number of Trustees (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Trustees.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

Foundation Trustees	<p><u>Article 50:</u> The Members shall appoint a minimum of 6 Trustees of whom 1 shall be the team vicar within the Fosse team ministry responsible for the parish of Thrussington exofficio; and 5 shall be appointed by the Diocese of Leicester Educational Trust from nominations made by Thrussington Parochial Church Council of whom 2 shall be eligible at the time of their election as parent Trustees.</p>
Co-opted Trustees	<p>The Trustees appointed under Article 50 with the consent of the Diocesan Board of Education may appoint up to 2 Coopted Trustees for such term (not exceeding four years) and otherwise upon such conditions as they shall think fit.</p>

● **Policies and procedures adopted for the induction and training of Trustees**

We expect all Trustees to undertake training as appropriate to their work at the school. New Trustees will be provided with an induction programme delivered partly in-house and partly through external sources as required. A log is kept of all Trustees training and reviewed on a regular basis at Trustees' Meetings.

● **Organisational structure**

The Trustees determine the general policy of the school. The day to day running of the school is delegated to the Head, supported by appropriate staff. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with appropriate staff. The day to day administration is undertaken within the policies and procedures approved by the Trustees which provide for only significant expenditure decisions and major capital projects to be referred to the Trustees for prior approval. The Headteacher oversees the recruitment of all staff. The Headteacher is an ex-officio Trustee, Principal Accounting Officer and attends all meetings.

● **Connected organisations, including related party relationships**

The Headteacher is a member of number of professional organisations which enable her to keep abreast of current educational matters and collaborates with other outstanding schools to share expertise, knowledge and experience.

As part of its work, the school is a member of the Syston and Thurmaston Education Partnership (STEP), set up as an umbrella trust to provide high quality education. As from March 2014, the school ceased to be a Strategic partner with the Affinity Teaching School because, as from 1st April 2014, it became a National Teaching School in its own right. It will be leading the STEP Teaching School Alliance – a separate legal entity- for the purposes of driving high quality education for a considerable number of schools.

● **Risk management**

The Trustees are responsible for the overseeing of the risks faced by the School. Detailed considerations of risk are delegated to the Headteacher of the school. Risks are identified, assessed and controls established throughout the period. A formal review of the school's risk management process will be undertaken on an annual basis. Risk is managed under the headings of Strategic and Reputational, Operational, Employment and Financial.

● **Trustees' indemnities**

In accordance with normal practice the school has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on school business. The cover under the policy is £3 million and in the period under review this cost was £1,243.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

• **Principal activities**

Thrussington Church of England Primary School Academy Trust's purpose is to provide high quality learning activities to pupils at the school and the wider community of which we are a part and which we serve.

**OBJECTIVES AND ACTIVITIES**

• **Objects and aims**

Thrussington Church of England Primary School Academy Trust's objective is specifically restricted to the following:-

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

• **Objectives, strategies and activities**

**Mission Statement**

Thrussington Church of England School is a place in which everyone is valued and cared for as an individual, where their views and culture are respected and is a place where children are at the centre of all that we do. We nurture the uniqueness of each individual within a happy, safe, stimulating and Christian environment, enabling them to meet their personal goals; to reach their full potential, intellectually, physically, socially, emotionally, morally and spiritually. Through a positive community ethos, we listen, engage and encourage confidence in order to prepare all learners for the future. It is our intention to provide a learning environment which inspires, encourages personal development; challenges and prepares everyone to take their place in an ever-changing world.

• **Activities for achieving objectives**

We aim to provide a caring, stimulating and safe school where achievements are celebrated and everyone is valued and shown respect.

We do this through providing:

- Children with a structure which enables them to question and evaluate all areas relating to their emotional and physical health and so make informed choices.
- A secure environment where everyone has a voice and is equipped with the life skills to keep themselves and others safe.
- An enjoyable, creative, relevant and evolving curriculum that will motivate children to become lifelong learners and encourage every child to find and develop their own personal strengths.
- Opportunities that will enable every child to nurture self-worth and develop skills to make a positive contribution to the community and where children, parents, school and the community work in mutually beneficial partnership.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

- The highest quality teaching and learning to enable all children to reach their full potential and thus lay strong foundations for the future. To value ourselves, others and the environment through positive relationships, actions and attitudes.

- **Public benefit**

Thrussington Church of England Primary School Academy Trust is a charitable trust which seeks to benefit the public throughout the pursuit of its stated aims.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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## **STRATEGIC REPORT**

### **ACHIEVEMENTS AND PERFORMANCE**

- **Going concern**

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

- **Key educational performance indicators and review of activities**

- The school's leadership has worked tirelessly to improve attendance and with significant success. For the period, attendance was 98.1% which is significantly high.
- Year 1
  - The phonics screening programme: the overall outcome for the school was 80% and there was a 100% pass rate for those who re-took the test.
- End of Key Stage 1
  - In Reading, 100% of the cohort achieved national expectations; in Writing, 95% of the cohort achieved national expectations and in Mathematics, 80% of the cohort achieved national expectations.
  - Level 3 significantly exceeds national expectations: Results for the More Able pupils were: 30% gained level 3 in reading; 20% in writing and 30% in Mathematics.
- End of Key Stage 2
  - 100% of pupils gained a Level 4+ in all core areas.
  - Level 5 significantly exceeds national expectations: 86% gained level 5 in Reading; 86% gained Level 5 writing; 86% gained Level 5 in Spelling, Punctuation and Grammar; 86% gained Level 5 in Maths.
  - Level 6 is four years above national expectations and 28% gained Level 6 in Writing and 14% gained level 6 in Spelling, Punctuation and Grammar.
  - The results place the cohort significantly above the age-related, national expectations and beyond the end of Year 8 (at secondary school).

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

Thruslington School is a strategic partner to the University of Leicester, responsible for devising and delivering high quality Initial Teacher Training; is a National Teaching School, leading the STEP Teaching School Alliance, providing high quality support to other schools and professional development; it is a strategic partner within the Syston and Thurmaston Education Partnership, providing effective multi academy collaboration, including teaching and learning competence.

Thruslington School has members of staff who are recognised by the Local Authority, Tribal and the National College for Teaching and Leadership as specialists to provide strategies and leadership development to raise standards and to initiate succession planning, throughout the county and beyond.

Areas for the school to develop during the course of the year include:

- Implementing the new national curriculum which will include a robust assessment strategy to ensure high standards of teaching and learning.
- Raising levels of achievement in English and Mathematics in Key Stage 1 and Key Stage 2. Developing the Teaching School and its Alliance.

The school is pro-active in engaging external agencies to monitor and evaluate its quality e.g. a lead inspector; the Basic Skills Quality Mark; Primary Science Quality Mark.

The school remains outstanding since its last inspection.

## **FINANCIAL REVIEW**

### **• Financial review**

The majority of the school's funding was provided by the Education Funding Agency (EFA). The school's total incoming resources for the period ended 31 August 2014 amounted to £366,231 (2013 - £316,883). £341,246 of this income related to the EFA General Annual Grant (GAG) (2013 - £286,121).

At the end of the year the school held free reserves plus unspent GAG of £38,458 (2013 - £42,178) being the reserves available for general revenue or capital educational expenditure.

### **• Financial and risk management objectives and policies**

The school has compiled a risk register and analysed risks and controls in place for each risk. The risks are reviewed by the governing body & sub-committees at least annually.

### **• Principal risks and uncertainties**

Principal risks and uncertainties facing the academy trust are low and are addressed in the risk management document that the academy trust has in place which will be reviewed annually.

At 31 August 2014 the pension deficit on the Local Government Pension Scheme stood at £114,000 (2013 - £72,000). The academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contribution rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

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

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

• **Reserves policy**

The Trustees have developed a reserve policy for the school. The Trustees have determined that the appropriate level of free reserves plus unspent GAG should be approximately one month's expenditure (£30,000 based on the 2014/15 budget). The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants to provide resources to deal with unexpected emergencies such as urgent maintenance. At 31 August 2014 the Academy held £38,458 of free reserves plus unspent GAG so Trustees consider reserves levels to be appropriate.

• **Material investments policy**

The school's investment strategy is:

- Regularly monitor cash flow and current/fund account balances to ensure immediate financial commitments can be met (payroll and payment runs) and that the accounts have adequate balances to meet forthcoming commitments.
- Identify funds surplus to immediate cash requirements and transfer to the school's deposit account bearing a higher interest rate.
- Periodically review interest rates and compare with other investment opportunities.
- The school's current policy is to only invest funds in risk free and immediately assessable deposit accounts.

Any change in policy requires the approval of Trustees via the Finance Committee.

**PLANS FOR FUTURE PERIODS**

• **Future developments**

The Trustees intend to continue their current strategies of maintaining the school's position in a competitive market by providing outstanding education for all pupils. Achieving high standards of academic results is a constant aim in conjunction with maintaining the breadth and depth of wider education in order to develop the whole person.

The Headteacher and appropriate staff will implement the new, national primary curriculum, with modifications, as is consistent with the school's being an academy, to provide a broad, balanced and enriched curriculum and to ensure that the educational qualifications remain appropriate for our pupils' development.

The Academy Trust's future plans are financed from income direct from the EFA related to student numbers and other lump sum factors. Trustees will ensure funding is invested appropriately for the next generation of pupils as they have done in the past for pupils. Maintaining and, where necessary, developing the fabric of the facilities of the school is core to our strategy.

We have a planned programme of maintenance and investment for the school site. As an academy which is outstanding in its provision; is a National Teaching School and is over-subscribed, the governors will be seeking to improve the building. Each year we invest heavily in computer equipment, as part of a carefully budgeted rolling programme, to reflect the needs of the curriculum, and infrastructure to ensure our pupils and staff have access to the very best technology possible.

Environmental issues are also a high priority and we continue to develop our buildings to ensure they are more energy efficient.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**Disclosure of information to auditors**

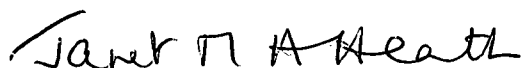
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

**Auditors**

The auditors, Clear & Lane Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report, incorporating the Strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2014 and signed on the board's behalf by:



**Mrs J Heath**  
**Chair of Trustees**

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT**

**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Thrussington Church of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Heath, Chair of Trustees	8	8
Dr E Ryves	5	8
Rev L Brabin-Smith	3	8
Mrs V Brightwell, Staff Trustee	8	8
Mrs D Clark	8	8
Mr K Donaghey	6	8
Mrs E Moore, Headteacher	8	8
Dr N Moore	4	8
Mrs P O'Flynn	6	8
Mrs F Rendall	7	8
Mr P Rendall	7	8
Mrs S Whitehead, Staff Trustee	8	8

**Governance reviews:**

The academy intends to conduct a self-evaluation review or an external governance review every 4 years starting in the year ended August 2016.

The Finance Committee is a delegated committee of the main governing body. Its purpose is to oversee the finance, property and staff.

**Attendance at meetings in the year was as follows:**

Trustee	Meetings attended	Out of a possible
Mrs J Heath	4	4
Mrs V Brightwell	9	9
Mrs E Moore	8	9
Dr N Moore	3	9
Mrs P O'Flynn	5	9
Mr P Rendall	7	7

The Curriculum and Standards Committee is a delegated committee of the main governing body. Its purpose is to oversee the Curriculum, Standards, Care, Guidance & Support, Behaviour, Ethical, Cultural and Moral standards, Welfare and the Impact and intervention of Pupil Premium.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Heath	3	4
Mrs E Moore	4	4
Mrs D Clark	4	4
Mrs F Rendall	4	4

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Thrussington Church of England Primary School for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustees 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 Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- 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 Board of Trustees 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. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The internal auditor made minor recommendations regarding our systems that have now been actioned or are in the process of being actioned.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

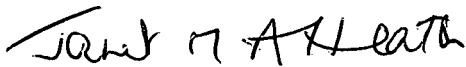
**Review of Effectiveness**

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 auditors;
- 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 address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2014 and signed on its behalf, by:



**Mrs J Heath**  
**Chair of Trustees**



**Mrs E Moore**  
**Accounting Officer**

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Thrussington Church of England Primary School I have considered my responsibility to notify the academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and EFA:

- The auditors have issued a qualified opinion on their independent assurance report on regularity. It was qualified on the basis that they did not believe as an Academy we had sufficient regard to 'applying discipline in financial management, including managing bank or to the management and oversight of assets' and we did not 'maintain proper accounts'.
- In the context of an Academy of our size the auditors did not interpret the requirement to mean a need for monthly accruals basis accounts but were of the opinion that we should have ensured that the accountancy records were updated regularly and that the key nominal ledger accounts such as the wages control account should have been balanced off monthly. They felt that as we operate with a low level of reserves, close financial control is particularly important.
- We received a satisfactory internal audit report in November 2013. It appears that the drop in standards arose with our outsourced accountancy function from this point onwards. We feel that an inexperienced member of staff was allocated by the outsourced provider and was not supervised or trained by line management in that organisation. This is in the process of being rectified and we plan to fully implement the recommendations of the 2014 appendix of weaknesses by February 2015.



**Mrs E Moore**  
**Accounting Officer**

Date: 12/12/2014

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**TRUSTEES' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 12 December 2014 and signed on its behalf by:



**Mrs J Heath**  
**Chair of Trustees**

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**

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

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

**Respective responsibilities of Trustees and auditors**

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

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

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

**Opinion on other matter prescribed by the Companies Act 2006**

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

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF THRUSSINGTON CHURCH OF  
ENGLAND 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 Companies Act 2006 requires us to report to you if, in our opinion:

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



Luke Turner ACA FCCA (Senior statutory auditor)

for and on behalf of

**Clear & Lane Limited**

Chartered Accountants

340 Melton Road  
Leicester  
LE4 7SL  
12 December 2014

**THRUSSTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
THRUSSTON CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Thrusston Church of England Primary School during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Thrusston Church of England Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Thrusston Church of England 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 Thrusston Church of England Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Thrusston Church of England Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Thrusston Church of England Primary School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

The work undertaken to draw our conclusions include:

- On a sample basis testing transactions and balances.
- Making enquires of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a samples basis reviewing records for evidence of those systems and controls in operation.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY  
(continued)**

**Conclusion**

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

The Academy did not have sufficient regard to 'applying discipline in financial management, including managing bank...' or to the 'management and oversight of assets' (2.3.3 Academies Financial Handbook [AFH]).

The Academy did not 'maintain proper accounts' (2.3.7 AFH).

In the context of an academy of this size we do not interpret this requirement to mean a need for monthly accruals basis accounts but we are of the opinion that the Academy should have ensured that the accountancy records were updated regularly and that the key nominal ledger accounts such as the wages control account should have been balanced off monthly. The Academy operates with a low level of reserves so close financial control is particularly important.

At the time of the start of our audit the Academy had not acted on advice from the 2013 appendix of weaknesses with respect to key oversight controls of the bank account and wages records. The Academy is now in the process of rectifying these issues and intends to fully implement the recommendations of the 2014 appendix of weaknesses by February 2015.

The Academy received a satisfactory internal audit report performed in November 2013 so the drop in standard of bookkeeping occurred at around this time. It appears that an inexperienced member of staff was allocated by the outsourced provider and was not supervised or trained by line management in that organisation. The Academy is in the process of rectifying these problems. A more experienced staff member from the outsourced provider has been allocated to the Academy and the Trustees have made clear their intention to monitor the standard of record keeping closely in future.



Luke Turner ACA FCCA (Senior statutory auditor)

**Clear & Lane Limited**

Chartered Accountants

340 Melton Road  
Leicester  
LE4 7SL

12 December 2014

**THRUSSINGTON CHURCH OF ENGLAND 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 2014**

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Year to 31 August Total funds 2014 £	10 months to 31 August Total funds 2013 £
	Note					
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income - transfer from local authority on conversion - see below	2	4,136	-	-	4,136	(7,555)
Other voluntary income	2	-	1,677	-	1,677	129
Activities for generating funds	3	2,011	-	-	2,011	695
Incoming resources from charitable activities:						
Funding for the academy trust's educational operations	4	-	353,687	4,720	358,407	323,614
<b>TOTAL INCOMING RESOURCES</b>		<b>6,147</b>	<b>355,364</b>	<b>4,720</b>	<b>366,231</b>	<b>316,883</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Fundraising expenses and other costs		101	-	-	101	95
Charitable activities:						
Academy trust's educational operations	9	-	364,493	8,540	373,033	279,519
Governance costs	5	-	6,637	-	6,637	42,896
<b>TOTAL RESOURCES EXPENDED</b>	8	<b>101</b>	<b>371,130</b>	<b>8,540</b>	<b>379,771</b>	<b>322,510</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, CARRIED FORWARD</b>		<b>6,046</b>	<b>(15,766)</b>	<b>(3,820)</b>	<b>(13,540)</b>	<b>(5,627)</b>

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Year to 31 August Total funds 2014 £	10 months to 31 August Total funds 2013 £
	Note					
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS, BROUGHT FORWARD</b>		<b>6,046</b>	<b>(15,766)</b>	<b>(3,820)</b>	<b>(13,540)</b>	<b>(5,627)</b>
Transfers between Funds	17	(9,766)	9,766	-	-	-
<b>NET EXPENDITURE FOR THE YEAR</b>		<b>(3,720)</b>	<b>(6,000)</b>	<b>(3,820)</b>	<b>(13,540)</b>	<b>(5,627)</b>
Actuarial gains and losses on defined benefit pension schemes		-	(36,000)	-	(36,000)	(6,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(3,720)</b>	<b>(42,000)</b>	<b>(3,820)</b>	<b>(49,540)</b>	<b>(11,627)</b>
Total funds at 1 September 2013		42,178	(72,000)	18,195	(11,627)	-
<b>TOTAL FUNDS AT 31 AUGUST 2014</b>		<b>38,458</b>	<b>(114,000)</b>	<b>14,375</b>	<b>(61,167)</b>	<b>(11,627)</b>

All activities relate to continuing operations.

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

The notes on pages 22 to 40 form part of these financial statements.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**

(A company limited by guarantee)  
REGISTERED NUMBER: 8248063

**BALANCE SHEET  
AS AT 31 AUGUST 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	13		14,375		18,195
<b>CURRENT ASSETS</b>					
Stocks	14	-		10,319	
Debtors	15	8,628		28,023	
Cash at bank and in hand		60,363		35,494	
		<u>68,991</u>		<u>73,836</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(30,533)		(31,658)	
<b>NET CURRENT ASSETS</b>			<u>38,458</u>		<u>42,178</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>52,833</u>		<u>60,373</u>
Defined benefit pension scheme liability	23		(114,000)		(72,000)
<b>NET LIABILITIES INCLUDING PENSION SCHEME LIABILITY</b>			<u>(61,167)</u>		<u>(11,627)</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted fixed asset fund		14,375		18,195	
Pension reserve		(114,000)		(72,000)	
Total restricted funds			<u>(99,625)</u>		<u>(53,805)</u>
Unrestricted funds	17		<u>38,458</u>		<u>42,178</u>
<b>TOTAL DEFICIT</b>			<u>(61,167)</u>		<u>(11,627)</u>

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2014 and are signed on their behalf, by:



**Mrs J Heath**  
Chair of Trustees

The notes on pages 22 to 40 form part of these financial statements.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

	Note	2014 £	2013 £
Net cash flow from operating activities	19	20,149	45,226
Capital expenditure and financial investment	20	4,720	(9,732)
<b>INCREASE IN CASH IN THE YEAR</b>		<u><b>24,869</b></u>	<u><b>35,494</b></u>

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

	2014 £	2013 £
Increase in cash in the year	<u>24,869</u>	<u>35,494</u>
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<u><b>24,869</b></u>	<u><b>35,494</b></u>
Net funds at 1 September 2013	<u><b>35,494</b></u>	<u>-</u>
<b>NET FUNDS AT 31 AUGUST 2014</b>	<u><b>60,363</b></u>	<u><b>35,494</b></u>

The notes on pages 22 to 40 form part of these financial statements.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

**1.2 FUND ACCOUNTING**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 Education Funding Agency.

Transfers between funds and between categories of funds i.e. restricted, designated and unrestricted are only processed with due regard to grant terms, agreements of funders (where applicable) and due process where formal trustees' resolutions are required. Full disclosures are given within the notes to the accounts for any transfers processed.

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

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOMING RESOURCES**

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

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

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

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

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

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

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.

**1.4 RESOURCES EXPENDED**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
**(A company limited by guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.5 GOING CONCERN**

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

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised.

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

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is 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:

Fixtures and fittings	- 15% Straight line
Computer equipment	- 25% Straight line

**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 STOCKS**

Stocks are valued at the lower of cost and value in use.

**1.9 TAXATION**

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

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**1. ACCOUNTING POLICIES (continued)**

**1.10 PENSIONS**

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, 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 23, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**2. VOLUNTARY INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year to 31 August Total funds 2014 £	10 months to 31 August Total funds 2013 £
Voluntary income - transfer from local authority on conversion - see below	4,136	-	4,136	(7,555)
PTFA Donations	-	1,677	1,677	129
Voluntary income	4,136	1,677	5,813	(7,426)

The transfer from local authority on conversion relates to bringing the private bank account into the Academy's records (£2,501) and additional cash received from the LEA on conversion than was provided for in last years accounts (£1,635).

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year to 31 August Total funds 2014 £	10 months to 31 August Total funds 2013 £
Ragtex	150	-	150	264
Parental contributions	961	-	961	431
Consultancy income	900	-	900	-
	<u>2,011</u>	<u>-</u>	<u>2,011</u>	<u>695</u>

**4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year to 31 August Total funds 2014 £	10 months to 31 August Total funds 2013 £
<b>DfE/EFA revenue grants</b>				
General annual grant (GAG)	-	341,246	341,246	286,121
Other DfE/EFA grants	-	17,161	17,161	33,966
Other grants	-	-	-	3,527
	<u>-</u>	<u>358,407</u>	<u>358,407</u>	<u>323,614</u>

**5. GOVERNANCE COSTS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Year to 31 August Total funds 2014 £	10 months to 31 August Total funds 2013 £
Governance Internal audit costs	-	502	502	503
Governance Auditors' remuneration	-	4,161	4,161	4,161
Governance Auditors' non audit costs	-	814	814	2,078
Governance Legal costs and professional fees	-	1,160	1,160	36,154
	<u>-</u>	<u>6,637</u>	<u>6,637</u>	<u>42,896</u>

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**6. DIRECT COSTS**

	Educational Operations £	Total 2014 £	Total 2013 £
LGPS Pension interest cost (£7,000) less expected return on assets (£4,000)	3,000	3,000	2,000
Educational supplies	8,348	8,348	6,584
Staff development	4,169	4,169	2,543
Depreciation	1,570	1,570	1,210
Other direct costs	24,638	24,638	7,008
Teaching and educational support staff costs - salaries	188,457	188,457	147,847
Teaching and educational support staff costs - NI	12,426	12,426	10,453
Teaching and educational support staff costs - pensions	29,244	29,244	22,953
	<u>271,852</u>	<u>271,852</u>	<u>200,598</u>

**7. SUPPORT COSTS**

	Educational Operations £	Total 2014 £	Total 2013 £
Maintenance of premises and equipment	13,922	13,922	14,592
Cleaning	1,126	1,126	785
Rent and rates	1,824	1,824	649
Insurance	10,705	10,705	10,424
Depreciation	2,250	2,250	1,875
Catering	2,607	2,607	3,971
Bank interest and charges	33	33	241
Other support costs	33,056	33,056	15,436
Energy costs	5,382	5,382	5,815
Support staff costs - salaries	25,490	25,490	21,121
Support staff costs - NI	472	472	562
Support staff costs - pensions	4,314	4,314	3,450
	<u>101,181</u>	<u>101,181</u>	<u>78,921</u>

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**8. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Fundraising expenses	-	101	101	95
<b>COSTS OF GENERATING FUNDS</b>	<b>-</b>	<b>101</b>	<b>101</b>	<b>95</b>
Direct costs - Educational Operations	230,127	41,725	271,852	199,187
Support costs - Educational Operations	30,276	70,905	101,181	78,921
<b>CHARITABLE ACTIVITIES</b>	<b>260,403</b>	<b>112,630</b>	<b>373,033</b>	<b>278,108</b>
<b>GOVERNANCE</b>	<b>-</b>	<b>6,637</b>	<b>6,637</b>	<b>42,896</b>
	<b>260,403</b>	<b>119,368</b>	<b>379,771</b>	<b>321,099</b>

**9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Educational Operations	271,852	101,181	373,033	279,614

**10. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	213,947	168,969
Social security costs	12,898	11,015
Other pension costs (Note 23)	33,558	26,404
	<b>260,403</b>	<b>206,388</b>

**THRUSSINGTON CHURCH OF ENGLAND PRIMARY SCHOOL**  
(A company limited by guarantee)

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

**10. STAFF (continued)**

**b. Staff numbers**

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

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>3</b>	<b>3</b>
Administration and support	<b>6</b>	<b>5</b>
Management	<b>1</b>	<b>1</b>
	<hr/> <b>10</b> <hr/>	<hr/> <b>9</b> <hr/>

**c. Higher paid staff**

No employee received remuneration amounting to more than £60,000 in either year.

**11. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 3 Trustees (2013 - 3) in respect of defined benefit pension schemes.

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Mrs E Moore (2013 annualised remuneration falls into the band £55,000-60,000)	<b>55,000-60,000</b>	<b>45,000-50,000</b>

The above figures show the amount paid in the year/period in relation to those months when the individual was a de facto Trustee by virtue of holding the post of Headteacher.

This includes normal Headteacher salary based on usual paycales for the size and type of the school.

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

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3 million on any one claim and the cost for the year ended 31 August 2014 was £1,243 (2013 - £1,150). The cost of this insurance is included in the total insurance cost.

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**13. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>			
At 1 September 2013 and 31 August 2014	15,001	6,279	21,280
<b>DEPRECIATION</b>			
At 1 September 2013	1,875	1,210	3,085
Charge for the year	2,250	1,570	3,820
At 31 August 2014	4,125	2,780	6,905
<b>NET BOOK VALUE</b>			
At 31 August 2014	10,876	3,499	14,375
At 31 August 2013	13,126	5,069	18,195

**14. STOCKS**

	2014 £	2013 £
Classroom and other materials	-	10,319

**15. DEBTORS**

	2014 £	2013 £
Trade debtors	773	150
VAT recoverable	3,338	4,291
Other debtors	-	18,514
Prepayments and accrued income	4,517	5,068
	8,628	28,023

**16. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Trade creditors	-	17,401
Taxation and social security	3,657	3,783
Other creditors	3,843	4,043
Accruals and deferred income	23,033	6,431
	30,533	31,658

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**16. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)**

	£
<b>DEFERRED INCOME</b>	
Resources deferred during the year	<b>12,354</b>

Deferred income in the year is the grant received for the Universal Infant Free School Meals for 2014/15.

**17. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General Funds - all funds	42,178	6,147	(101)	(9,766)	-	38,458
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	-	341,246	(351,012)	9,766	-	-
Other DfE/EFA grants	-	12,441	(12,441)	-	-	-
PTFA Donation	-	1,677	(1,677)	-	-	-
Pension reserve	(72,000)	-	(6,000)	-	(36,000)	(114,000)
	(72,000)	355,364	(371,130)	9,766	(36,000)	(114,000)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
DfE/EFA capital grant	2,864	4,720	(5,320)	-	-	2,264
Capital expenditure from GAG	9,731	-	(2,044)	-	-	7,687
Transfer from local authority	5,600	-	(1,176)	-	-	4,424
	18,195	4,720	(8,540)	-	-	14,375
Total restricted funds	(53,805)	360,084	(379,670)	9,766	(36,000)	(99,625)
Total of funds	(11,627)	366,231	(379,771)	-	(36,000)	(61,167)

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

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer from unrestricted funds was to cover the cost of expenditure incurred on the Academy's educational operations.

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**17. STATEMENT OF FUNDS (continued)**

The DfE/EFA restricted funds grants consists of Pupil Premium, PE Sports Grant and Special Educational Needs Additional Allowance (SENA). All grants were fully spent during the year.

The pension reserve relates to the school's share of the deficit of the Leicestershire County Council's Local Government Pension Scheme.

DfE/EFA capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of the assets concerned.

The transfer from local authority relates to the value of moveable assets transferred from the local authority to the Academy on conversion less depreciation charged to date.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where the GAG is received, to the restricted fixed assets fund where it has been spent.

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

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	42,178	6,147	(101)	(9,766)	-	38,458
Restricted funds	(72,000)	355,364	(371,130)	9,766	(36,000)	(114,000)
Restricted fixed asset funds	18,195	4,720	(8,540)	-	-	14,375
	<u>(11,627)</u>	<u>366,231</u>	<u>(379,771)</u>	<u>-</u>	<u>(36,000)</u>	<u>(61,167)</u>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Year to 31 August Total funds 2014 £	10 months to 31 August Total funds 2013 £
Tangible fixed assets	-	-	14,375	14,375	18,195
Current assets	68,991	-	-	68,991	73,835
Creditors due within one year	(30,533)	-	-	(30,533)	(31,657)
Provisions for liabilities and charges	-	(114,000)	-	(114,000)	(72,000)
	<u>38,458</u>	<u>(114,000)</u>	<u>14,375</u>	<u>(61,167)</u>	<u>(11,627)</u>

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**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Net incoming resources before revaluations	(13,540)	(5,627)
Gift of Land Buildings and assets from EFA.	-	(6,884)
Depreciation of tangible fixed assets	3,820	3,085
Capital grants from DfE	(4,720)	(4,664)
Increase in stocks	10,319	(10,318)
Increase in debtors	19,395	(28,023)
(Decrease)/increase in creditors	(1,125)	31,657
FRS17 pension deficit	-	63,000
FRS17 pension cost less contributions payable	3,000	1,000
FRS17 pension finance costs	3,000	2,000
<b>NET CASH INFLOW FROM OPERATIONS</b>	<b>20,149</b>	<b>45,226</b>

**20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	-	(14,396)
Capital grants from DfE	4,720	4,664
<b>NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE</b>	<b>4,720</b>	<b>(9,732)</b>

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**21. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	35,494	24,869	-	60,363
<b>NET FUNDS</b>	<b>35,494</b>	<b>24,869</b>	<b>-</b>	<b>60,363</b>

**22. MEMBERS' LIABILITY**

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

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**23. 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 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £3,836 were payable to the schemes at 31 August 2014 (2013 - £3,709) and are included within 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.

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

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**23. PENSION COMMITMENTS (continued)**

**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 reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £14,000, of which employer's contributions totalled £11,000 and employees' contributions totalled £3,000. The agreed contribution rates for future years are 20.3% for employers and 5.5 - 12.5% for employees.

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

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**23. PENSION COMMITMENTS (continued)**

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.30	63,000	6.60	41,000
Bonds	3.30	15,000	3.80	17,000
Property	4.50	9,000	4.70	6,000
Cash	3.30	3,000	3.60	1,000
Total market value of assets		<u>90,000</u>		<u>65,000</u>
Present value of scheme liabilities		<u>(204,000)</u>		<u>(137,000)</u>
(Deficit)/surplus in the scheme		<u><u>(114,000)</u></u>		<u><u>(72,000)</u></u>

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS17 report for Fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

**Asset model**

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the year (i.e. as at 1 September 2013 for the year to 31 August 2014, or date of joining the fund if later).

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**23. PENSION COMMITMENTS (continued)**

The amounts recognised in the Balance sheet are as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	<b>(204,000)</b>	(137,000)
Fair value of scheme assets	<b>90,000</b>	65,000
	<hr/>	<hr/>
Net liability	<b>(114,000)</b>	(72,000)
	<hr/>	<hr/>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Current service cost	<b>(14,000)</b>	(10,000)
Interest on obligation	<b>(7,000)</b>	(4,000)
Expected return on scheme assets	<b>4,000</b>	2,000
	<hr/>	<hr/>
Total	<b>(17,000)</b>	(12,000)
	<hr/>	<hr/>
Actual return on scheme assets	<b>9,000</b>	6,000
	<hr/>	<hr/>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	<b>137,000</b>	110,000
Current service cost	<b>14,000</b>	10,000
Interest cost	<b>7,000</b>	4,000
Contributions by scheme participants	<b>3,000</b>	3,000
Actuarial Losses	<b>43,000</b>	10,000
	<hr/>	<hr/>
Closing defined benefit obligation	<b>204,000</b>	137,000
	<hr/>	<hr/>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	<b>65,000</b>	47,000
Expected return on assets	<b>4,000</b>	2,000
Actuarial gains and (losses)	<b>7,000</b>	4,000
Contributions by employer	<b>11,000</b>	9,000
Contributions by employees	<b>3,000</b>	3,000
	<hr/>	<hr/>
	<b>90,000</b>	65,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised losses was £42,000 (2013 - £6,000).

The academy expects to contribute £13,000 to its Defined benefit pension scheme in 2015.

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**23. PENSION COMMITMENTS (continued)**

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

	<b>2014</b>	<b>2013</b>
Equities	<b>70.00 %</b>	64.00 %
Bonds	<b>17.00 %</b>	26.00 %
Property	<b>10.00 %</b>	9.00 %
Cash	<b>3.00 %</b>	1.00 %

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

	<b>2014</b>	<b>2013</b>
Discount rate for scheme liabilities	<b>3.70 %</b>	4.60 %
Expected return on scheme assets at 31 August	<b>5.50 %</b>	5.70 %
Rate of increase in salaries	<b>4.50 %</b>	5.10 %
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	2.80 %
Inflation assumption (CPI)	<b>2.70 %</b>	2.90 %
Commutation of pensions to lump sums	<b>50.00 %</b>	50.00 %

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

	<b>2014</b>	<b>2013</b>
Retiring today		
Males	<b>22.2</b>	20.9
Females	<b>24.3</b>	23.3
Retiring in 20 years		
Males	<b>24.2</b>	23.3
Females	<b>26.6</b>	25.6

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Defined benefit obligation	<b>(204,000)</b>	(137,000)
Scheme assets	<b>90,000</b>	65,000
Deficit	<b>(114,000)</b>	(72,000)
Experience adjustments on scheme liabilities	<b>(7,000)</b>	-
Experience adjustments on scheme assets	<b>7,000</b>	4,000

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**Sensitivity analysis**

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

**Change in assumptions as at 31 August 2014:**

	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount</b>
0.5% decrease in Real Discount Rate	<b>15%</b>	<b>30,000</b>
1 year increase in member life expectancy	<b>3%</b>	<b>6,000</b>
0.5% increase in the Salary Increase Rate	<b>8%</b>	<b>17,000</b>
0.5% increase in the Pension Increase Rate	<b>6%</b>	<b>12,000</b>

**24. RELATED PARTY TRANSACTIONS**

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

No related party transactions in the period.