

**REPORT OF THE GOVERNORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST AUGUST 2015
FOR**

ST NICHOLAS' COFE SCHOOL ALCESTER



Ormerod Rutter Limited
Statutory Auditor
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

ST NICHOLAS' COFE SCHOOL ALCESTER
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FOR THE YEAR ENDED 31ST AUGUST 2015

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ST NICHOLAS' COFE SCHOOL ALCESTER

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31ST AUGUST 2015

MEMBERS	Laurance Yearley Vincent Foy Susan Heap Julie Lindsay	Chair Of Governors Co-Opted Governor Co-Opted Governor Foundation Governor	
GOVERNORS	Laurance Yearley Peter Alexander David Campbell-Kelly Adam Denby Caroline Harris Alison Howson Gary Manning Sally Staley Adam Walsh Hilary Capron Carol Smart Jane Blayney Richard Chapman Vincent Foy Susan Heap Susen Juned Virginia Von Malachowski Patricia Bowler Andrew Deeks Julie Lindsay	Chair Of Governors Parent Governor Parent Governor Parent Governor Parent Governor Parent Governor Headteacher Headteacher Staff Governor Staff Governor Co-Opted Governor Co-Opted Governor Co-Opted Governor Co-Opted Governor Co-Opted Governor Co-Opted Governor Foundation Governor Foundation Governor Foundation Governor	 (appointed 19 th September 2014) (appointed 9 th October 2014) (appointed 9 th October 2014) (resigned 31 st August 2015) (appointed 1 st September 2015) (resigned 31 st August 2015) (resigned 31 st August 2015) (resigned 13 th July 2015) (appointed 1 st October 2014) (appointed 1 st September 2015) (appointed 19 th September 2014)
COMPANY SECRETARY	Susan Heap		
RESPONSIBLE OFFICER	Susan Heap		
SENIOR LEADERSHIP TEAM	Sally Staley Adam Walsh Karen O'Shea Mark Walsh	Headteacher & Accounting Officer Headteacher & Accounting Officer Deputy Headteacher Deputy Headteacher	(resigned 31 st August 2015) (appointed 1 st September 2015)
REGISTERED OFFICE	St Nicholas' Church Of England Primary School St. Faiths Road Alcester Warwickshire B49 6AG		
COMPANY NUMBER	08248830 (England and Wales)		
AUDITORS	Ormerod Rutter Limited Statutory Auditor The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY		
BANKERS	Lloyds TSB 22 Bridge Street Stratford Upon Avon Warwickshire CV37 6AG		
SOLICITORS	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES		
ACTUARY	Hymans Robertson LLP One London Wall London EC2Y 5EA		

ST NICHOLAS' COFE SCHOOL ALCESTER

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31ST AUGUST 2015

The Governors who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st August 2015. The Governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and governing document

The Academy 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.

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

The Academy is also known as St Nicholas' C Of E Primary School and Alcester St Nicholas' C Of E Primary School.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' Indemnities

The Academy provides indemnity insurance to cover the liability of Governors, which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy.

Principal activities

The principal object and activity of the Academy is 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 an Academy offering a broad curriculum with a strong emphasis on, but in no way limited to literacy, numeracy, science and independent thinking skills as well as maintaining and promoting a Christian ethos.

Recruitment and appointment of new Governors

Governors are recruited and appointed as follows:

- Foundation Governors are appointed by the Coventry Diocesan Board of Education and the town parish of Alcester.
- Parent Governors are elected by the parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.
- The Headteacher is automatically appointed as a Staff Governor.
- Other Staff Governors are elected by the employees of the Academy, with one Staff Governor chosen from the teaching staff of the Academy and one Staff Governor chosen from the ancillary staff of the Academy.
- Co-Opted Governors are appointed by invitation from the existing Governors.

The Memorandum & Articles requires there to be between 3 and 18 Governors, with the following limits:

- up to 25% may be Foundation Governors
- a minimum of 2 Parent Governors
- up to 33% may be Staff Governors
- up to 10 Co-Opted Governors appointed by the Members

The Governors' term of office, excluding the Headteacher, is 4 years.

The Secretary of State may appoint additional Governors if the school performance is unacceptably low, there is a failure of governance or if the safety of the pupils is at risk.

ST NICHOLAS' COFE SCHOOL ALCESTER

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31ST AUGUST 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Induction and training of new Governors

Training and induction for Governors will depend on their prior experience and/or knowledge. Most inductions are carried out "in house", but external trainers may be brought in, or Governors may attend external training provision as appropriate. Governors are provided with access to copies of all the documents and policies that they will need to undertake their role.

Organisational structure

The full Governing Body meets formally at least three times per year. Discussions are held and decisions are made or ratified as appropriate. There are four main committees which meet three or four times per year: Finance & Resources, Staffing, Curriculum and Health and Safety Committees. These committees provide the opportunity for detailed discussion and policy development and have delegated powers accountable to the full Governing Body. The day to day running of the Academy is delegated to the Senior Leadership Team who report back to the Governors' committees as appropriate.

The structure and organisation of the various sub-committees are reviewed each year and this additional emphasis was placed on Health and Safety Committee. Where appropriate and financially viable certain services are outsourced to external service providers, e.g. payroll, HR support, financial support, etc.

Connected organisations, including related party relationships

During the year the Academy did not have any connected organisations. Neither were there any related party relationships. Any related party relationships that may arise would be acknowledged at the Governors' meetings through the pecuniary interests forms.

Co-operation with other organisations in pursuit of charitable objectives

The Friends Of St. Nicholas undertakes fundraising activities as a separate organisation, with the proceeds used for the betterment of the pupils of the Academy.

During the year the Academy provided catering facilities with a neighbouring school, Great Alne Primary School. The Academy also provides a caretaker with the Parenting Project, Alcester, a Sure Start Children's Centre that acts as a hub for early learning, child and family health services, family support and links to training and employment advice.

In addition the Academy continues to have a good working relationship with the Diocese of Coventry who provide support and guidance from both an educational and pastoral perspective.

Risk management

The Academy has an ongoing risk management process. Overall responsibility for risk management rests with the Governing Body. The Finance & Resources Committee regularly monitor the type of risk the Academy faces, monitoring any changing levels of risk and identifying newly emerging risks. Current areas for close monitoring include the age of some of the school buildings; future funding restraints, the possible future volatility of pupil numbers for demographic reasons. The Academy annually purchases professional Health & Safety risk management advice and support and additionally full comprehensive insurance and other professional advice as required.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the charitable company are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and having regard to the advice of the Diocesan Board of Education.

The main aim of the charitable company over the last year has been to continue to provide a stable environment following operating as an Academy to ensure that the very high standards set by the Academy (judged outstanding by Ofsted) were maintained. Within this environment, our aim has been to continue to use the freedoms brought by Academy status to lay down the foundations of new initiatives to further enhance the quality of teaching and learning in the Academy, thereby maximising the opportunities for all students to realise their potential.

ST NICHOLAS' COFE SCHOOL ALCESTER

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31ST AUGUST 2015

OBJECTIVES AND ACTIVITIES (continued)

Significant activities

The last year started initially with the first phase of work to achieve the targets laid out in the School Improvement Plan. We implemented new roles within the Senior Leadership Team in recognition of the changing needs of the Academy. In addition, the Headteacher decided to retire at the end of the school year and a new Executive Headteacher was appointed in the summer term with a commencement date of September 2015. The new Headteacher has responsibility for the school and also Coughton C of E School. A service level agreement is in place between the two schools.

The Academy has maintained in practice its commitment to its own equal opportunities policy.

The Academy has also been determined to do everything possible to improve access for disabled persons.

Public benefit

In setting the objectives, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Volunteers

A wide range of visitors are invited into the school to contribute in a variety of ways. These include health professionals, artists, poets in residence, theatre in education groups, craftspeople, the rector, local historians, careers advisers, police officers, local secondary school students, parents and grandparents and other people with particular expertise, experience or knowledge. These visitors contribute to learning in a variety of settings, such as curriculum extension or enrichment activities, assemblies, extracurricular events and clubs, community projects, theatre in education, insight into industry days, in lessons, at school based conferences, as expert witnesses and accompanying pupils on school trips.

Care is needed when handling sensitive and/or controversial issues that may arise. Staff and pupils will be involved in the establishment of classroom rules which set the climate for the lesson and make clear how all involved in the lesson are expected to behave towards each other during the session, this will then enable everyone involved to feel safe. Part of that discussion will include consideration of what kind of information is for sharing beyond the classroom and how pupils would feel if something they have contributed to the lesson were talked about on the playground or in the staffroom. These rules apply equally to pupils, staff and visitors. Where visitors support the curriculum, they are made aware of and abide by the school's policy regarding disclosures and confidentiality. The boundary between providing individual advice and providing learning opportunities for groups of pupils is made clear to everyone.

A teacher is present during any session with an outside visitor.

STRATEGIC REPORT

Achievement and performance

Charitable activities

The main achievement has been the maintenance of above average academic standards, as evidenced by the published end of Key Stage tests in Fisher Family Trust and Raiseonline. Pupil performance at the end of Key Stage 1, Key Stage 2 and Foundation Stage remain high compared with National, County and benchmarked schools. Internal assessments demonstrate excellent capacity to sustain and develop high standards of learning.

Results for the 2014/15 academic year were similar to National Averages.

St Nicholas' is acknowledged locally as a school with high expectations of its pupils in all areas of school life. The staff are forward thinking and ensure that all pupils achieve beyond their previous best.

Due to the present popularity of St Nicholas', a new classroom was completed in the current academic year. Work was completed and the classroom made available for use in the Summer term. In order to accommodate the government initiative of Universal Infant Free School Meals (UIFSM), from September 2014, significant work was undertaken to ensure the school had the necessary infrastructure to provide meals. This initiative creates a 33% increase in potential meals produced.

ST NICHOLAS' COFE SCHOOL ALCESTER

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31ST AUGUST 2015

STRATEGIC REPORT (continued)

Going concern

After making appropriate enquiries, the Governing Body 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 in note 1 of the notes to the financial statements.

Key financial performance indicators

As a charitable company the Academy does not consider it suitable to measure its performance in terms of financial measurements. However the Governors review net incoming/outgoing resources before actuarial pension movements to ensure that the Academy achieves a small surplus each financial year, unless the Academy undertakes activities to be funded out of reserves with the agreement of the Governors, to balance the need for the Academy to have sufficient reserves to continue operations against the desire to maximise the benefit that the pupils of the Academy receive.

During the current financial year the Academy made a surplus before actuarial pension movements of £172,649 (2014 - surplus of £49,187). At the year end the charitable company had net assets of £6,239,441 (2014 - £6,078,792).

The Governors consider the net incoming/outgoing resources before actuarial pension movements to be satisfactory.

Other key performance indicators

The Governors consider the non-financial key performance indicators of the Academy to be:

- the academic success of the pupils (as measured by national statistics published by the Department For Education);
- other statistical analysis compiled by Fisher and Warwickshire County Council;
- the Academy's latest Ofsted inspection report grade; and
- in-house qualitative reports prepared by the Senior Leadership Team.

2015 KS2 SATs Comparison				
LEVELS	SUBJECT	ST. NICHOLAS'	NATIONAL	NATIONAL COMPARISON
L4+	Reading, Writing & Maths	75	80	Below
L5+	Reading, Writing & Maths	31	24	Well Above
4+	Reading	88	89	Below
	Writing	86	87	Below
	GPS	80	80	In Line
	Maths	83	87	Below
L5+	Reading	57	48	Well Above
	Writing	35	36	Below
	GPS	63	56	Well Above
	Maths	48	42	Above
L6+	Reading	2	0	Above
	Writing	2	2	In Line
	GPS	11	4	Above
	Maths	12	9	Above
2+ Levels progress	Reading	86	91	Below
	Writing	88	94	Below
	Maths	85	90	Below
3+ Levels progress	Reading	29	Not available	
	Writing	18	Not available	
	Maths	37	Not available	

ST NICHOLAS' COFE SCHOOL ALCESTER

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31ST AUGUST 2015**

STRATEGIC REPORT (continued)

2015 KS1 Data Compared To National				
LEVELS	SUBJECT	ST. NICHOLAS'	NATIONAL	NATIONAL COMPARISON
L2+	Reading	97	91	Well Above
	Writing	95	88	Well Above
	Maths	97	93	Above
L2B	Reading	80	82	Below
	Writing	78	72	Above
	Maths	83	82	Above
	Science	97	91	Well Above
	Speaking and Listening	95	90	Above
L3	Reading	42	32	Well Above
	Writing	22	18	Above
	Maths	25	26	Below
	Science	38	23	Well Above
	Speaking and Listening	48	25	Well Above

2014 Other Data Compared To National			
	ST. NICHOLAS'	NATIONAL	NATIONAL COMPARISON
Y1 Phonics Test			
Children meeting the required standard	84	74	Well Above
Early Years - Reception			
Children achieving a good level of development	65	66	Below
Attendance			
Attendance	96.7	94	Above

Financial review

Reserves policy

The level of unrestricted funds and GAG restricted funds are being built up out of operating surpluses as to create a reserve to cover the risks and uncertainties of operating the school and thereby ensuring the financial security of the Academy.

The Governors have evaluated what should be a suitable reserves policy and have concluded that a value of 5% of the budget is an appropriate amount. This is needed to support subsequent years where pupil numbers may drop.

The Academy also, from time to time, accumulates funding in order to finance specific projects that requires higher than normal expenditure and could not otherwise be funded out of day to day operating income.

The fixed assets of the Academy held in restricted fixed asset funds are considered necessary for the continued running of the school and such funds are therefore excluded from review. Restricted fixed asset funds held as cash are being accumulated until sufficient funds are available to finance the planned purchase of specific capital items.

The Governors regularly monitor the level of reserves and report to the EFA any unspent funds expected to be carried forward

ST NICHOLAS' COFE SCHOOL ALCESTER

REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31ST AUGUST 2015

STRATEGIC REPORT (continued)

At the period end the reserves of the company were as follows:

	2015	2014
	£	£
Unrestricted reserves - general funds	115,137	125,033
Unrestricted reserves - Library fund	6,657	-
Restricted general funds - General Annual Grant fund	-	22,442
Restricted general funds - Pupil Premium fund	65,416	43,978
Restricted general funds - Sports Premium fund	4,948	1,219
Restricted general funds - Pension Reserve	(302,000)	(259,000)
Restricted fixed asset funds - tangible fixed assets	6,349,283	6,139,453
Restricted fixed asset funds - unspent capital grants funds	-	5,667
	<u>6,239,441</u>	<u>6,078,792</u>

The Governors consider the level of reserves at the period end to be sufficient but not excessive.

Funds in deficit

The Pension Reserve relates to the provision for the Academy's share of the actuarial deficit on the Warwickshire County Council Local Government Pension Scheme and is accounted for in a separate restricted general fund in accordance with Academies Accounts Direction issued by the EFA.

Excluding the Pension Reserve fund, the Academy is not carrying a deficit on any other funds.

Principal funding sources

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

Principal risks and uncertainties

The Governors confirm that the major risks to which the Academy is exposed, as identified by the Governors, have been reviewed, and that systems or procedures have been established to manage those risks.

The principal financial risks facing the Academy are that funding is dependent upon pupil numbers and upon the Government's policies for education. Pupil numbers have continued to increase in the current financial year. However the Governors are aware that pupil numbers would be affected by changes to the reputation of the school or by significant developments within the local area, although the Governors do not consider the risk of such changes occurring to be high. The Governors review for any significant changes in Government funding policies that may affect the funding received by the school.

The Academy is a participating employer of the Warwickshire County Council Local Government Pension Scheme, a multi-employer defined benefit pension scheme which is currently in deficit. The ongoing contributions payable to this scheme is considered manageable within the Academy's ongoing budgets.

The principal non-financial risks facing the Academy are the protection of pupils, staff and assets, as well ensuring that the school continues to obtain favourable Ofsted inspection results. The Academy has policies in place to manage all these risks.

Financial and risk management objectives and policies

To support the conversion to an Academy, new accounting processes were introduced to support the necessary reporting requirements. At the same time we reviewed our level of financial support from Warwickshire County Council, taking into account internal staff expertise and knowledge and expertise within the Governing Body. The Financial and Administration Policy has been reviewed for appropriateness, external advice was obtained to assist in the conversion process and to help identify risks for the Academy and the Statutory Auditors were appointed. The Governors have adopted the Risk Registers based around those in the Academy's handbook and existing prior to the conversion.

ST NICHOLAS' COFE SCHOOL ALCESTER

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31ST AUGUST 2015**

STRATEGIC REPORT (continued)

Plans for future periods

There are a number plans relating to capital projects, including assessing opportunities for extending the main hall, as due to pupil numbers, it is not normally possible to hold collective worship events, where all the pupils attend together.

The Academy will take every opportunity to improve the school environment to enhance the atmosphere for students.

In the short term, the main focus of the School Improvement Plan at the Academy is to build upon our reputation for outstanding teaching and learning by:

- developing a new curriculum in line with changes to the National Curriculum;
- reviewing our tracking system to ensure that it supports reporting without levels for all of the pupil groups within the Academy;
- further invest in its own community, supporting learning to enhance the quality of family life.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold any funds as custodian trustee on behalf of others.

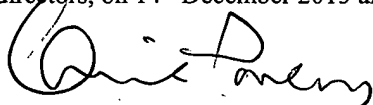
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Governors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Governor has taken all the steps that they ought to have taken as a Governor in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Ormerod Rutter Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting in accordance with Section 487(2) of the Companies Act 2006.

Report of the Governors, incorporating a strategic report, approved by order of the Board of Governors, as the company directors, on 14th December 2015 and signed on the Board's behalf by:



.....
Laurance Yearley – Chair of Governors

ST NICHOLAS' COFE SCHOOL ALCESTER

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31ST AUGUST 2015

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 9 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

			Meetings attended	Out of a possible
Governors				
Laurie Yearley	Chair of Governors		8	9
Peter Alexander	Parent Governor	appointed 19/09/14	8	9
David Campbell-Kelly	Parent Governor	appointed 09/10/14	6	8
Adam Denby	Parent Governor		8	9
Caroline Harris	Parent Governor	appointed 09/10/14	6	8
Alison Howson	Parent Governor		7	9
Gary Manning	Parent Governor		7	9
Sally Staley	Headteacher & Accounting Officer	resigned 31/08/15	7	9
Hilary Capron	Staff Governor	resigned 31/08/15	8	9
Carol Smart	Staff Governor	resigned 31/08/15	8	9
Jane Blayney	Co-Opted Governor	resigned 13/07/15	8	9
Richard Chapman	Co-Opted Governor	appointed 01/10/14	6	9
Vincent Foy	Co-Opted Governor & Chair Of Finance		9	9
Susan Heap	Co-Opted Governor & Responsible Officer		5	9
Virginia Von Malachowski	Co-Opted Governor		8	9
Patricia Bowler	Foundation Governor	appointed 19/09/14	7	9
Andrew Deeks	Foundation Governor & Vice-Chair		7	9
Julie Lindsay	Foundation Governor		6	9
Non-Governors				
Jane Griffiths	Clerk To The Governors		6	9

The Finance and Resources Committee is a sub-committee of the main governing body whose purpose is to prepare the Academy's budget, monitor expenditure and address financial matters. The Finance and Resources Committee has formally met 5 times during the year. Attendance during the year at meetings of the Finance and Resources Committee was as follows:

			Meetings attended	Out of a possible
Governors				
Vincent Foy	Co-Opted Governor & Chair Of Finance		5	5
Susan Heap	Co-Opted Governor & Responsible Officer		5	5
Sally Staley	Headteacher & Accounting Officer		5	5
Andrew Deeks	Co-Opted Governor & Vice-Chair		3	5
Garry Manning	Parent Governor		1	5
Richard Chapman	Co-Opted Governor		2	5
Non-Governors				
Celia Holdstock	Bursar		5	5
Jane Griffiths	Clerk To The Governors		2	5

ST NICHOLAS' COFE SCHOOL ALCESTER

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31ST AUGUST 2015

Governance - continued

The structure of the Governing Body is reviewed annually by the Governing Body during the first meeting of each academic year in order to ensure the optimum efficiency of operation. Significant attention is given to recruiting new Governors with respect to the level of experience and expertise they can offer to the Academy. The Full Governing Body aims to have a diverse membership covering many professional disciplines that can support the operation and strategic direction of the school and the Governing Body considers that they have met this aim during the current year.

The structure and organisation of the various sub-committees are also reviewed by the Governing Body during the first meeting of each academic year. This year, additional emphasis was placed on the membership of the Health and Safety sub-committee. The Governors concluded that, following appointments and reappointments of Governors to these sub-committees, all the sub-committees have Governors with high levels of experience and expertise relevant to the nature of those sub-committees.

Where appropriate and financially viable, certain services are outsourced to external service providers, including payroll, HR support and accounting support. Although the Academy does not undertake formal external reviews of governance, informal guidance and advice relevant to the governance of the Academy is obtained from these external service providers during the course of their work.

Review of Value for Money

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

The Accounting Officer considers how the 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.

Areas where the trust's activities have contributed to achieving value for money:

1 Purchase of whole set of iPads for a whole class to be used on a class by class basis.

iPads have had a positive impact on children's learning. They have engaged, motivated and inspired the children to achieve greater things and the technology has become an integral part of their learning and teaching. As a research tool it is portable, quick to access and easy to use. It allows the children to either work independently or collaboratively and has seen an increase in engagement, interest, independence, creativity and productivity. Many children are now familiar with finger touch control from using tablets at home and can transfer their skills between home and school.

The iPad also provides access to the curriculum for different learning styles. It's another tool that children can access to support their learning. Children with 'special educational needs' have benefitted from the use of the iPad by the use of specific apps that can support their learning in a specialised way, for example Mindimo, which allows children to create their own mind maps to help them with their English work, thus giving the children a sense of worth and achievement.

Having a variety of features in one device is also much easier. The use of the camera and iMovie to record videos in class and around other areas of the school is another benefit to teaching & learning. It is an extremely useful feature that can be used in all areas of the curriculum and has proved to be highly motivational.

2 New Reading and Poetry books:

New reading books were purchased in 2014/15 for the whole school. For Key Stage 1, books were bought to replace well worn and dated books. This was supplemented with the purchase of many Non-Fiction books, as at the time there was only a limited selection to support "Guided Reading".

In addition to having "Scheme" books the school felt it was important for the children to have the experience of reading "real physical" books. Consequently sets of books were purchased to broaden the children's reading experience. Alongside these the school also bought comprehension activities to further develop and enhance the children's understanding.

In Key Stage 2, poetry books were purchased to complement the new National Curriculum requirements for poetry. The school also supplemented the Accelerated Reading Scheme to enhance the range of books that children could choose.

ST NICHOLAS' COFE SCHOOL ALCESTER

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31ST AUGUST 2015

Review of Value for Money – continued

3 *Kitchen work:*

The Academy made considerable investment in its catering facilities. This work was necessary to accommodate the Government's Universal Infant Free School Meals initiative and the work was completed in the financial year. This has enabled an increase in meals prepared by 33%.

Areas where the trust could do better:

The Academy recognises the need to extend the school hall and work is ongoing to identify a suitable solution to cater for all children to attend collective worship whilst meeting the necessary Health and Safety requirements.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company 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 St Nicholas' CofE School Alcester for the period 1st September 2014 to 31st 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 charitable company 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 on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1st September 2014 to 31st 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:

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

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Board of Governors have appointed Susan Heap, a Governor, as the Responsible Officer.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the Responsible Officer 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.

The school's system of internal policies and financial controls that is subject to periodic review and revision by the Board of Governors. During the period between conversion to an Academy in the previous period and the approval of each of the elements of the revised internal policies and financial controls, a process that was concluded during the current period, the school employed the previous internal policies and financial controls used by the school prior to conversion.

ST NICHOLAS' COFE SCHOOL ALCESTER

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2015**

Review of Effectiveness

As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Responsible Officer;
- the on-going financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The review was also informed by the work of the external auditor.

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

Approved by order of the members of the Board of Governors on 14th December 2015 and signed on its behalf by:



.....
Laurance Yearley – Chair of Governors



.....
Adam Walsh – Accounting Officer

ST NICHOLAS' COFE SCHOOL ALCESTER

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

As Accounting Officer of St Nicholas' CofE School Alcester I have considered my responsibility to notify the charitable company 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 charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Adam Walsh – Accounting Officer

Date: 14th December 2015

ST NICHOLAS' COFE SCHOOL ALCESTER

**STATEMENT OF GOVERNORS RESPONSIBILITIES
FOR THE YEAR ENDED 31ST AUGUST 2015**

The Governors (who act as trustees of St Nicholas' CofE School Alcester and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2005;
- make judgements and estimates that are reasonable and prudent;
- 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 to 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 the EFA/DfE have been applied for the purposes intended.

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

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

Approved by order of the Board of Governors on 14th December 2015 and signed on its behalf by:



.....
Laurance Yearley – Chair of Governors

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ST NICHOLAS' COFE SCHOOL ALCESTER

We have audited the financial statements of St Nicholas' CofE School Alcester for the year ended 31st 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 Accounts Direction 2014 to 2015 issued by the Education Funding Agency (EFA).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditors

As explained more fully in the Statement of Governors Responsibilities, the Governors (who are also the directors of the charitable company 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors 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 charitable company's affairs as at 31st 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ST NICHOLAS' COFE SCHOOL ALCESTER**

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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Colm McGrory FCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited
Statutory Auditor
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Date: 21/12/15

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST NICHOLAS' COFE SCHOOL ALCESTER AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement 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 St Nicholas' CofE School Alcester during the period 1st September 2014 to 31st 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 St Nicholas' CofE School Alcester and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Nicholas' CofE School Alcester and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Nicholas' CofE School Alcester and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Nicholas' CofE School Alcester's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of St Nicholas' CofE School Alcester's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1st September 2014 to 31st August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Conclusion

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

Ormerod Rutter

Ormerod Rutter Limited
Chartered Accountants
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Date: 21/12/15

ST NICHOLAS' COFE SCHOOL ALCESTER

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST AUGUST 2015**

				2015	2014
	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	6,657	-	263,222	269,879
Activities for generating funds	3	67,686	56,864	-	124,550
Investment income	4	278	-	-	278
Incoming resources from charitable activities					
Educational operations	5	-	1,603,973	8,354	1,612,327
Total incoming resources		74,621	1,660,837	271,576	2,007,034
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading	7	-	207	-	207
Charitable activities					
Educational operations	8	-	1,722,025	104,486	1,826,511
Governance costs	10	-	7,667	-	7,667
Total resources expended	6	-	1,729,899	104,486	1,834,385
NET INCOME FOR THE YEAR BEFORE TRANSFERS					
		74,621	(69,062)	167,090	172,649
Gross transfers between funds	19	(77,860)	40,787	37,073	-
Net income/(expenditure) for the year before other recognised gains and losses		(3,239)	(28,275)	204,163	172,649
Actuarial gains/losses on defined benefit schemes		-	(12,000)	-	(12,000)
Net movement in funds		(3,239)	(40,275)	204,163	160,649
RECONCILIATION OF FUNDS					
Total funds brought forward		125,033	(191,361)	6,145,120	6,078,792
TOTAL FUNDS CARRIED FORWARD		121,794	(231,636)	6,349,283	6,239,441

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

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

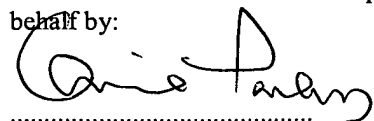
The notes form part of these financial statements

ST NICHOLAS' COFE SCHOOL ALCESTER

BALANCE SHEET
AT 31ST AUGUST 2015

				2015	2014	
	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £	Total funds £
FIXED ASSETS						
Tangible assets	14	-	-	6,349,283	6,349,283	6,139,453
CURRENT ASSETS						
Debtors	15	8,046	74,834	-	82,880	90,202
Cash at bank and in hand		<u>113,748</u>	<u>82,019</u>	<u>-</u>	<u>195,767</u>	<u>221,196</u>
		121,794	156,853	-	278,647	311,398
CREDITORS						
Amounts due within one year	16	-	(86,489)	-	(86,489)	(113,059)
		<u>-</u>	<u>(86,489)</u>	<u>-</u>	<u>(86,489)</u>	<u>(113,059)</u>
NET CURRENT ASSETS		<u>121,794</u>	<u>70,364</u>	<u>-</u>	<u>192,158</u>	<u>198,339</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		121,794	70,364	6,349,283	6,541,441	6,337,792
PENSION LIABILITY	20	-	(302,000)	-	(302,000)	(259,000)
		<u>-</u>	<u>(302,000)</u>	<u>-</u>	<u>(302,000)</u>	<u>(259,000)</u>
NET ASSETS		<u>121,794</u>	<u>(231,636)</u>	<u>6,349,283</u>	<u>6,239,441</u>	<u>6,078,792</u>
FUNDS						
	19					
<i>Unrestricted funds:</i>						
General fund				115,137	125,033	
Library fund				<u>6,657</u>	<u>-</u>	
				121,794	125,033	
<i>Restricted general funds:</i>						
General Annual Grant fund				-	22,442	
Pupil Premium fund				65,416	43,978	
PE & Sport Premium fund				4,948	1,219	
Pension reserve				<u>(302,000)</u>	<u>(259,000)</u>	
				(231,636)	(191,361)	
<i>Restricted fixed asset funds:</i>						
Restricted fixed asset funds				6,349,283	6,139,453	
Unspent capital grants funds				<u>-</u>	<u>5,667</u>	
				<u>6,349,283</u>	<u>6,145,120</u>	
TOTAL FUNDS				6,239,441	6,078,792	

The financial statements were approved by the Board of Governors on 14th December 2015 and were signed on its behalf by:



Laurance Yearley – Chair of Governors

The notes form part of these financial statements

ST NICHOLAS' COFE SCHOOL ALCESTER

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2015**

	Notes to the Cash Flow Statement	2015 £	2014 £
Net cash inflow from operating activities	1	20,940	92,716
Returns on investments and servicing of finance	2	278	288
Capital expenditure and financial investment	2	(46,647)	(35,558)
		<hr/>	<hr/>
(Decrease)/increase in cash in the period		<u>(25,429)</u>	<u>57,446</u>

Reconciliation of net cash flow to movement in net debt

(Decrease)/increase in cash in the period		<u>(25,429)</u>	<u>57,446</u>
Movement in net debt in the period		(25,429)	57,446
Net debt at 1st September 2014	3	<u>221,196</u>	<u>163,750</u>
Net debt at 31st August 2015	3	<u>195,767</u>	<u>221,196</u>

The notes form part of these financial statements

ST NICHOLAS' COFE SCHOOL ALCESTER

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2015**

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Net incoming resources	172,649	49,187
Donated fixed assets	(259,315)	-
Capital grants from DfE/EFA	(8,354)	(7,949)
Depreciation charges	104,486	8,651
Interest received	(278)	(288)
Decrease/(increase) in debtors	7,322	(24,465)
(Decrease)/increase in creditors	(26,570)	43,580
Difference between pension charge and cash contributions	<u>31,000</u>	<u>24,000</u>
Net cash inflow from operating activities	<u><u>20,940</u></u>	<u><u>92,716</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	<u>278</u>	<u>288</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>278</u></u>	<u><u>288</u></u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(55,001)	(43,507)
Capital grants from DfE/EFA	<u>8,354</u>	<u>7,949</u>
Net cash outflow for capital expenditure and financial investment	<u><u>(46,647)</u></u>	<u><u>(35,558)</u></u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/14	Cash flow	At 31/8/15
	£	£	£
Net cash:			
Cash at bank and in hand	221,196	(25,429)	195,767
	<u>221,196</u>	<u>(25,429)</u>	<u>195,767</u>
Total	<u><u>221,196</u></u>	<u><u>(25,429)</u></u>	<u><u>195,767</u></u>

4. MAJOR NON-CASH TRANSACTIONS

During the year Warwickshire County Council constructed an additional classroom on behalf of the school which have been included in the accounts as a donation of fixed assets valued at £259,315.

ST NICHOLAS' COFE SCHOOL ALCESTER

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

1. ACCOUNTING POLICIES

Accounting convention

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

Going concern

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

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants receivable

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

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

Other income

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

Donated goods, facilities and services

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 Academy's policies.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of any irrecoverable VAT.

Cost of generating funds

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

Charitable activities

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

Governance costs

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

ST NICHOLAS' COFE SCHOOL ALCESTER

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015

1. ACCOUNTING POLICIES - continued

Allocation and apportionment of support costs

All support costs that directly relate to a specific activity are allocated to that activity, with all remaining support costs incurred in the normal running costs of the Academy attributed to the Academy's educational operations.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over the estimated useful life:

Long leasehold land	- not depreciated
Long leasehold buildings	- 2% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

During the current financial year the Academy changed the depreciation policy for long leasehold buildings from not being depreciated to being depreciated at a rate of 2% on cost, as the Governors consider the new policy to be more appropriate with the useful economic life of the leasehold buildings. The financial effect of this change in depreciation policy was additional depreciation charged in the year of £80,586.

Assets purchased by the school prior to conversion from Local Authority control are depreciated on their original purchase cost to the school and not on their deemed value on transfer to the charitable company.

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Long leasehold property

Leasehold property includes property held either under a 125 year lease issued to the school by Warwickshire County Council on the school's conversion to an academy.

In accordance with the SORP 2005 this property is recognised in the financial statements, representing the 'right to use' the property. The property is recognised as a leasehold tangible fixed asset at fair value of the asset (being the right to use the property rather than the freehold) at the date of conversion less accumulated depreciation.

Leasehold property also includes property held under the terms of the Church Supplemental Agreement to the Funding Agreement whereby the trustees of the Church of England Parish of Alcester have made the leasehold property available indefinitely to the Academy, subject to either the termination of the Funding Agreement or on receipt of no less than two years written notice from the following 31st August from the trustees of the Church of England Parish of Alcester.

In accordance with FRS 5 Reporting The Substance Of Transactions, this property was recognised in the financial statements, on the basis that the Academy has effective control over the future economic benefits relating to the property, is able to restrict the access of others to those benefits and is responsible for the maintenance of the property for the foreseeable future, on the assumption that it is improbable that notice to vacate the property will be issued within the foreseeable future. The property is recognised as a leasehold tangible fixed asset at fair value of the asset (being the right to use the property rather than the freehold) at the date of conversion less accumulated depreciation.

ST NICHOLAS' COFE SCHOOL ALCESTER

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2015

1. ACCOUNTING POLICIES - continued

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.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the Governors. Within unrestricted income funds are designated funds relating to funds the Governors have earmarked for specific future projects for administrative purposes only, which do not legally restrict the Governors' discretion to apply such funds.

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 with restrictions imposed by the funder/donor and include grants from the Education Funding Agency.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the Notes to the Financial Statements, 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 settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	2015 £	2014 £
Donations received from Alcester Trade And Labour Club	6,657	-
Donations received from Friends Of St Nicholas	-	500
Donations toward fixed asset additions received from Friends Of St Nicholas	3,907	-
Donated fixed assets	<u>259,315</u>	<u>-</u>
	<u>269,879</u>	<u>500</u>

Donated fixed assets relate to the construction of an additional classroom by Warwickshire County Council on behalf of the school treated as a donation to the school at the value of the cost of construction to Warwickshire County Council.

ST NICHOLAS' COFE SCHOOL ALCESTER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015**

3. ACTIVITIES FOR GENERATING FUNDS

	2015	2014
	£	£
Catering income	67,686	78,080
Contributions received towards school trips	15,529	12,335
Contributions received towards after school clubs and activities	10,192	10,113
Contributions received towards music lessons	5,625	5,075
Hire of premises	2,367	6,367
Services provided to other schools and nurseries	3,460	3,538
Sale of stationery	245	207
Staff cover insurance receipts	13,938	4,719
Sundry income	<u>5,508</u>	<u>1,010</u>
	<u>124,550</u>	<u>121,444</u>

4. INVESTMENT INCOME

	2015	2014
	£	£
Bank interest received	<u>278</u>	<u>288</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
DfE/EFA revenue grant				
General Annual Grant	-	1,373,277	1,373,277	1,278,490
Pupil Premium (EFA)	-	141,764	141,764	99,695
PE & Sport Premium	-	9,640	9,640	9,460
Universal Infant Free School Meals	-	59,432	59,432	-
Rates Relief	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,713</u>
	-	1,584,113	1,584,113	1,391,358
DfE/EFA capital grant				
Devolved Formula Capital	-	8,354	8,354	7,949
Other government grant				
Special Educational Needs	-	18,092	18,092	15,489
UIFSM Equipment Refurbishment Grant	-	-	-	22,684
Pupil Premium (WCC)	<u>-</u>	<u>1,768</u>	<u>1,768</u>	<u>-</u>
	-	19,860	19,860	38,173
	<u>-</u>	<u>1,612,327</u>	<u>1,612,327</u>	<u>1,437,480</u>

ST NICHOLAS' COFE SCHOOL ALCESTER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015**

6. RESOURCES EXPENDED

				2015	2014
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises £	Other costs £	£	£
Costs of generating funds	-	-	207	207	248
Charitable activities					
<i>Academies educational operations</i>					
Direct costs	1,173,076	80,586	167,378	1,421,040	1,159,935
Allocated support costs	<u>153,271</u>	<u>78,892</u>	<u>173,308</u>	<u>405,471</u>	<u>341,404</u>
	1,326,347	159,478	340,893	1,826,718	1,501,587
Governance costs	<u>477</u>	<u>-</u>	<u>7,190</u>	<u>7,667</u>	<u>8,938</u>
	<u><u>1,326,824</u></u>	<u><u>159,478</u></u>	<u><u>348,083</u></u>	<u><u>1,834,385</u></u>	<u><u>1,510,525</u></u>

Net resources are stated after charging/(crediting):

	2015	2014
	£	£
Auditors' remuneration	6,000	6,450
Depreciation - owned assets	104,486	8,652
Hire of equipment under operating leases	<u>6,073</u>	<u>3,039</u>

Auditors' remuneration consists of:

	2015	2014
	£	£
Statutory audit of financial statements	3,000	3,000
Regularity audit for the Education Funding Agency	1,000	1,000
Independent accountants' report for the EFA return	900	900
Teacher's Pension Scheme end of year certificate audit report	-	500
Assistance with the preparation of the financial statements	<u>1,100</u>	<u>1,050</u>
	<u><u>6,000</u></u>	<u><u>6,450</u></u>

7. COSTS OF GENERATING FUNDS

	2015	2014
	£	£
Stationery purchases	<u>207</u>	<u>248</u>

ST NICHOLAS' COFE SCHOOL ALCESTER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015**

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Direct costs				
Teaching staff	-	689,796	689,796	696,461
Teaching assistants and mid-day supervisors	-	480,480	480,480	342,384
Staff cover insurance	-	2,800	2,800	3,000
Depreciation	-	87,570	87,570	1,086
Computer costs	-	6,936	6,936	8,801
Educational supplies	-	62,214	62,214	41,066
Staff development	-	12,635	12,635	10,404
External teaching professional services	-	35,054	35,054	10,683
School trip expenses	-	24,522	24,522	25,521
Peripatetic music teachers	-	19,033	19,033	20,529
	-	1,421,040	1,421,040	1,159,935
Allocated support costs				
Support staff costs	-	153,271	153,271	128,752
Depreciation	-	16,916	16,916	7,565
Computer costs	-	6,395	6,395	8,537
Recruitment and professional services	-	43,016	43,016	32,012
Maintenance of premises and equipment	-	34,066	34,066	33,576
Cleaning supplies and services	-	6,398	6,398	6,138
Rent and rates	-	9,474	9,474	(795)
Electricity and gas	-	28,954	28,954	29,760
Insurance	-	31,792	31,792	26,974
Licences, telephone, postage and stationery	-	14,620	14,620	7,859
Catering	-	56,569	56,569	54,026
LGPS interest costs less return on assets	-	4,000	4,000	7,000
	-	405,471	405,471	341,404
	-	<u>1,826,511</u>	<u>1,826,511</u>	<u>1,501,339</u>

During the previous year the charitable company received a rates rebate of £10,441 relating to the previous financial period.

ST NICHOLAS' COFE SCHOOL ALCESTER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015**

9. SUPPORT COSTS

	Property maintenance £	Administration £	Catering £	Totals £
Academy's educational operations	<u>123,297</u>	<u>171,086</u>	<u>111,088</u>	<u>405,471</u>

Support costs, included in the above, are as follows:

	2015 Academy's educational operations £	2014 Total activities £
Caretaker and cleaners wages	41,579	41,816
Caretaker and cleaners social security	2,162	2,366
Caretaker and cleaners pensions	664	627
Maintenance of premises and equipment	34,066	33,576
Cleaning supplies and services	6,398	6,138
Rent and rates	9,474	(795)
Electricity and gas	28,954	29,760
Administration staff wages	47,403	23,022
Administration staff social security	1,108	3,293
Administration staff pensions	5,836	3,819
Computer administration costs	6,395	8,537
Recruitment and professional support services	43,016	32,012
Insurance	31,792	26,974
Office licences, telephone, postage and stationery	14,620	7,859
Depreciation of tangible fixed assets	16,916	7,565
Canteen staff wages	42,821	43,126
Canteen staff social security	837	1,055
Canteen staff pensions	10,861	9,628
Catering supplies	56,569	54,026
LGPS interest costs less expected return on assets	<u>4,000</u>	<u>7,000</u>
	<u>405,471</u>	<u>341,404</u>

10. GOVERNANCE COSTS

	2015 £	2014 £
Staff costs	477	471
Actuarial fees	695	1,150
Auditors' remuneration	6,000	6,450
Governor training	<u>495</u>	<u>867</u>
	<u>7,667</u>	<u>8,938</u>

ST NICHOLAS' COFE SCHOOL ALCESTER

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2015

11. GOVERNORS' REMUNERATION AND BENEFITS

The Headteacher and other Staff Governors only received remuneration in respect of services they provided undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors.

The value of Governors' remuneration during the year was as follows:-

Sally Staley (Headteacher and Governor) - resigned 31 st August 2015		
Remuneration	£65,000 to £70,000	(2014 - £60,000 to £65,000)
Employer's pension contributions	£5,000 to £10,000	(2014 - £5,000 to £10,000)
Carol Smart (Staff Governor) - resigned 31 st August 2015		
Remuneration	£35,000 to £40,000	(2014 - £35,000 to £40,000)
Employer's pension contributions	£nil to £5,000	(2014 - £5,000 to £10,000)
Hilary Capron (Staff Governor) - resigned 31 st August 2015		
Remuneration	£10,000 to £15,000	(2014 - £10,000 to £15,000)
Employer's pension contributions	£nil	(2014 - £nil)

Governors' expenses

During the year 4 Governors were reimbursed expenses totalling £246 (2014 - 5 Governors were reimbursed a total of £192).

12. STAFF COSTS

	2015 £	2014 £
Wages and salaries	1,046,256	973,980
Social security costs	55,604	53,295
Other pension costs	157,414	140,443
	<u>1,259,274</u>	<u>1,167,718</u>
Supply teacher costs	64,750	350
Staff cover insurance	2,800	3,000
	<u>1,326,824</u>	<u>1,171,068</u>

The average number of persons (including Senior Leadership Team) employed by the charitable company during the year was as follows:

	Actual 2015	Actual 2014	FTE 2015	FTE 2014
Teachers	19	18	16.46	16.18
Teaching assistants	23	20	13.51	10.93
Midday supervisors	11	9	2.09	1.59
Caretaker and cleaners	5	5	2.55	2.58
Canteen staff	6	4	3.47	2.36
Administration staff	4	4	2.22	2.05
	<u>68</u>	<u>60</u>	<u>40.30</u>	<u>35.69</u>

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

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

Total employer pension contributions payable relating to the employees whose emoluments was over £60,000 per year totalled £9,258 (2014 - £8,994).

ST NICHOLAS' COFE SCHOOL ALCESTER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015**

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 £2,000,000 on any one claim. This insurance is included in a schools combined insurance policy which includes cover for multiple other types of insurance and the cost of insurance to protect Governors and officers cannot be easily determined as an individual element of the total cost of this combined insurance policy.

14. TANGIBLE FIXED ASSETS

	Long leasehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st September 2014	6,094,000	24,364	31,828	6,150,192
Additions	259,315	13,443	41,558	314,316
Disposals	-	-	(62)	(62)
At 31st August 2015	<u>6,353,315</u>	<u>37,807</u>	<u>73,324</u>	<u>6,464,446</u>
DEPRECIATION				
At 1st September 2014	-	1,383	9,356	10,739
Charge for year	80,586	6,984	16,916	104,486
Eliminated on disposal	-	-	(62)	(62)
At 31st August 2015	<u>80,586</u>	<u>8,367</u>	<u>26,210</u>	<u>115,163</u>
NET BOOK VALUE				
At 31st August 2015	<u>6,272,729</u>	<u>29,440</u>	<u>47,114</u>	<u>6,349,283</u>
At 31st August 2014	<u>6,094,000</u>	<u>22,981</u>	<u>22,472</u>	<u>6,139,453</u>

Included in cost or valuation of land and buildings is freehold land of £2,324,000 (2014 - £2,324,000)

During the current financial year the Academy changed the depreciation policy for long leasehold buildings from not being depreciated to being depreciated at a rate of 2% on cost. The financial effect of this change in depreciation policy was additional depreciation charged in the year of £80,586.

Additions to long leasehold property in the year relate to an additional classroom constructed by Warwickshire County Council on behalf of the school treated as a donation to the school at the value of the cost of construction to Warwickshire County Council.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
VAT	9,569	13,303
Accrued income	30,208	42,970
Prepayments	<u>43,103</u>	<u>33,929</u>
	<u>82,880</u>	<u>90,202</u>

ST NICHOLAS' COFE SCHOOL ALCESTER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	24,382	18,775
Social security and other taxes	19,553	16,798
Accrued expenses	7,885	42,223
Deferred income	<u>34,669</u>	<u>35,263</u>
	<u>86,489</u>	<u>113,059</u>

Deferred income

Deferred income relates to government grants received early relating to Universal Infant Free School Meals for the next academic year.

	2015	2014
	£	£
Deferred income at 1st September 2014	35,263	-
Amounts released from previous years	(35,263)	-
Resources deferred in the year	<u>34,669</u>	<u>35,263</u>
Deferred income at 31st August 2015	<u>34,669</u>	<u>35,263</u>

17. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases
	2015
	£
Expiring:	
Between one and five years	<u>6,153</u>

In addition, as at the year end the charitable company had commitments under non-cancellable software and maintenance contracts running between 2 and 5 years from the year end totalling £3,845 per year (2014 - £3,570 per year).

18. MEMBERS' LIABILITY

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

ST NICHOLAS' COFE SCHOOL ALCESTER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015**

19. MOVEMENT IN FUNDS

Net movement in funds, included in the above are as follows:

	As at 1st September 2014 £	Incoming resources £	Resources expended £	Transfers & actuarial gains and losses £	As at 31st August 2015 £
<i>Unrestricted funds</i>					
General fund	125,033	67,964	-	(77,860)	115,137
Library fund	-	6,657	-	-	6,657
	<u>125,033</u>	<u>74,621</u>	<u>-</u>	<u>(77,860)</u>	<u>121,794</u>
<i>Restricted general funds</i>					
General Annual Grant fund	22,442	1,489,573	(1,563,861)	51,846	-
Pupil Premium fund	43,978	143,532	(111,035)	(11,059)	65,416
Special Educational Needs fund	-	18,092	(18,092)	-	-
PE & Sports Premium fund	1,219	9,640	(5,911)	-	4,948
Pension Reserve fund	(259,000)	-	(31,000)	(12,000)	(302,000)
	<u>(191,361)</u>	<u>1,660,837</u>	<u>(1,729,899)</u>	<u>28,787</u>	<u>(231,636)</u>
<i>Restricted fixed asset funds</i>					
Restricted fixed asset funds	6,139,453	259,315	(104,486)	55,001	6,349,283
Unspent capital grants funds	5,667	12,261	-	(17,928)	-
	<u>6,145,120</u>	<u>271,576</u>	<u>(104,486)</u>	<u>37,073</u>	<u>6,349,283</u>
TOTAL FUNDS	<u><u>6,078,792</u></u>	<u><u>2,007,034</u></u>	<u><u>(1,834,385)</u></u>	<u><u>(12,000)</u></u>	<u><u>6,239,441</u></u>

Funds in deficit

Excluding the Pension Reserve fund, the Academy is not carrying a deficit on any restricted general funds.

Transfers between funds

Transfers between funds include:

- Pupil Premium funds used to cover school fees waived as to allow qualifying pupils to attend school trips, after school clubs, etc. totalling £6,079 transferred to the GAG fund.
- Pupil Premium funds used to cover school fees waived in regard to school meals given to qualifying pupils totalling £1,180 transferred to general unrestricted reserves.
- Pupil Premium funds used to purchase iPads for use by qualifying pupils totalling £3,800 transferred to restricted fixed asset reserves.
- The value of fixed asset additions purchased out of capital grant funds totalling £17,928.
- The value of fixed asset additions purchased out of the GAG fund totalling £33,273.
- Transfer of funds totalling £79,040 from unrestricted general reserves to the GAG fund to cover GAG fund expenditure in excess of available funding.

ST NICHOLAS' COFE SCHOOL ALCESTER

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015

19. MOVEMENT IN FUNDS - continued

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

Unrestricted funds

General unrestricted funds relate to funds that are expendable at the discretion of the Governors in furtherance of the charity's aims and objectives.

The Library Fund relates to a donation received from the Alcester Trade And Labour Club that has been earmarked to be spent on converting an existing classroom into the new school library.

Restricted Revenue Funds

The General Annual Grant (GAG) fund relates to income received from the EFA in order to cover the normal running costs of the Academy. It also includes the surplus of funds received on conversion from Local Authority control not relating to capital fixed assets. 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.

The Pupil Premium fund relates to additional funding from the EFA to support the disadvantaged pupils of the school and close the attainment gap between them and their peers.

The Special Educational Needs fund relates to income received from Warwickshire County Council to assist 2 pupils with special educational needs.

The PE & Sports Premium fund relates to additional funding from the EFA to help primary schools improve the quality of the PE and sport activities they offer their pupils.

The Pension Reserve relates to the provision for the Academy's share of the actuarial deficit on the Warwickshire County Council Local Government Pension Scheme and is accounted for in a separate restricted general fund in accordance with Academies Accounts Direction issued by the EFA.

Restricted Fixed Asset Funds

Restricted fixed asset funds relate to the tangible fixed assets owned by the Academy.

Unspent capital grants funds relate to funding received for the purposes of purchasing fixed assets not yet spent.

ST NICHOLAS' COFE SCHOOL ALCESTER

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2015

20. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warwickshire Pension Fund. Both are multi-employer 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.

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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

Contributions paid

The pension costs paid to TPS in the period amounted to £136,619 (2014 - £132,800), of which £81,858 (2014 - £81,418) was employer contributions and £54,761 (2014 - £51,382) was employee contributions.

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

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

ST NICHOLAS' COFE SCHOOL ALCESTER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015**

20. PENSION AND SIMILAR OBLIGATIONS - continued

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £63,131 (2014 - £56,250), of which employer's contributions totalled £48,555 (2014 - £43,026) and employees' contributions totalled £14,576 (2014 - £13,224). This excludes the LGPS provision adjustment for current service costs in excess of employer contributions of £27,000 (2014 - £17,000). The agreed contribution rates for future years are 20.9% for employers and between 5.5% and 12.5% depending on salary 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:

	Defined benefit pension plans	
	2015	2014
	£	£
Present value of funded obligations	(680,000)	(561,000)
Fair value of plan assets	<u>378,000</u>	<u>302,000</u>
	<u>(302,000)</u>	<u>(259,000)</u>
Deficit	<u>(302,000)</u>	<u>(259,000)</u>
Liability	<u>(302,000)</u>	<u>(259,000)</u>

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

	Defined benefit pension plans	
	2015	2014
	£	£
Current service cost	75,000	60,000
Interest cost	22,000	21,000
Expected return	<u>(18,000)</u>	<u>(14,000)</u>
	<u>79,000</u>	<u>67,000</u>
Actual return on plan assets	<u>13,000</u>	<u>30,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Opening balance	(561,000)	(429,000)
Current service cost	(75,000)	(60,000)
Contributions by scheme participants	(15,000)	(13,000)
Interest cost	(22,000)	(21,000)
Actuarial losses/(gains)	<u>(7,000)</u>	<u>(38,000)</u>
	<u>(680,000)</u>	<u>(561,000)</u>

ST NICHOLAS' COFE SCHOOL ALCESTER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015**

20. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Opening balance	302,000	216,000
Contributions by employer	48,000	43,000
Contributions by scheme participants	15,000	13,000
Expected return	18,000	14,000
Actuarial gains/(losses)	<u>(5,000)</u>	<u>16,000</u>
	<u>378,000</u>	<u>302,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Equities	242,000	206,000
Bonds	87,000	63,000
Property	45,000	30,000
Cash	<u>4,000</u>	<u>3,000</u>
	<u>378,000</u>	<u>302,000</u>

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

	2015	2014
Discount rate	3.7%	3.7%
Expected return on scheme assets	3.7%	5.5%
Future salary increases	4.5%	4.4%
Future pension increases	2.6%	2.6%

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

	2015	2014
<u>Retiring today</u>		
Males	22.4 years	22.4 years
Females	24.4 years	24.4 years
<u>Retiring in 20 years</u>		
Males	24.3 years	24.3 years
Females	26.6 years	26.6 years

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

	2015	2014	2013
	£	£	£
Defined benefit pension plans			
Present value of defined benefit obligations	(680,000)	(561,000)	(429,000)
Fair value of share of scheme assets	<u>378,000</u>	<u>302,000</u>	<u>216,000</u>
Deficit in the scheme	<u>(302,000)</u>	<u>(259,000)</u>	<u>(213,000)</u>

A five year summary has not been provided as the Academy has only joined the scheme in 2013.

ST NICHOLAS' COFE SCHOOL ALCESTER

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2015**

21. RELATED PARTY DISCLOSURES

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 Governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions took place in the year ended 31 August 2015 or in the year ended 31 August 2014.