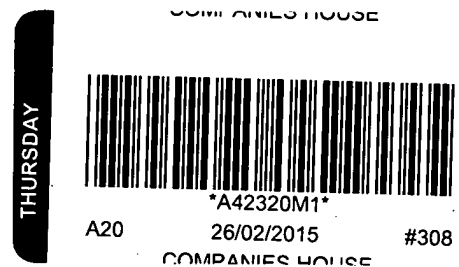


**St Edward's Church Of England Academy Trust, Leek**

**Trustees Report and Financial Statements**

**For the year ended 31 August 2014**



**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Contents**

---

	Page
<b>Reference and administrative details of the academy, its trustees and advisers</b>	1 - 2
<b>Trustees' report</b>	3 - 17
<b>Governance statement</b>	18 - 21
<b>Statement on regularity, propriety and compliance</b>	22
<b>Trustees' responsibilities statement</b>	23
<b>Independent auditors' report</b>	24 - 25
<b>Independent reporting accountant's assurance report on regularity</b>	26 - 27
<b>Statement of financial activities</b>	28 - 29
<b>Balance sheet</b>	30
<b>Cash flow statement</b>	31
<b>Notes to the financial statements</b>	32 - 53

**St Edward's Church Of England Academy Trust, Leek  
(A company limited by guarantee)**

**Reference and Administrative Details of the Academy, its Trustees and Advisers  
For the year ended 31 August 2014**

---

**Members**

Church of England Central Education Trust (formerly known as Lichfield Diocesan Academies Trust)  
Lichfield Diocesan Board of Education  
Rev M Parker (resigned 7 April 2014)  
Rev N Irons (appointed 7 April 2014)

**Trustees**

Mr J Morton, Chair of Trustees (elected as Chair 16 October 2013)<sup>1</sup>  
Rev M Parker (resigned 7 April 2014)  
Rev L Price (appointed 11 December 2013)  
Rev N Irons (appointed 9 July 2014)  
Mrs E Clarke, Principal and Accounting Officer<sup>1</sup>  
Mr C Abell, Staff Trustee<sup>1</sup>  
Mrs R Bell  
Mrs M Collier, Staff Trustee  
Mrs H De Gale  
Mrs C Hall (appointed 16 October 2013)  
Mrs P Handforth, Staff Trustee  
Mr C Hesketh<sup>1</sup>  
Mr K Hollins (appointed 16 October 2013)  
Dr G Lewis (appointed 16 October 2013)  
Mr F Murray<sup>1</sup>  
Mrs D Potts  
Miss E Priestman (appointed 16 October 2013)  
Mr G Torr<sup>1</sup>  
Mrs B Tunnicliff (appointed 16 October 2013)<sup>1</sup>  
Mrs C Simmonds, Responsible Officer  
Miss A Bennett (resigned 22 November 2013)  
Mrs J Turner (resigned 21 November 2013)  
Mr A Wilson (resigned 19 September 2013)

<sup>1</sup> Members of the Finance Committee

**Company registered number**

08316327

**Principal and registered office**

Westwood Road, Leek, Staffordshire, ST13 8DN

**Company secretary**

Mrs S A Casey

**Senior management team**

Mrs E Clarke, Principal  
Mr J Parrish, Vice Principal  
Mrs J Bell, Assistant Principal  
Mrs D Haydon, Assistant Principal  
Mrs S Casey, Business Manager  
Mrs R Rose, Lead Practitioner

**St Edward's Church Of England Academy Trust, Leek  
(A company limited by guarantee)**

**Reference and Administrative Details of the Academy, its Trustees and Advisers  
For the year ended 31 August 2014**

---

**Administrative details (continued)**

**Independent auditors**

Dains LLP, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, Etruria, Stoke on Trent, ST1 5RQ

**Bankers**

Lloyds Bank, Fountain Square, Hanley, Stoke-on-Trent, ST1 1JY

**Solicitors**

Browne Jacobson, 44 Castle Gate, Nottingham, NG1 7BJ

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Trustees' Report**  
**For the year ended 31 August 2014**

---

The trustees present their annual report together with the audited financial statements of St Edward's Church Of England Academy Trust, Leek (St Edward's Academy) for the year to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates an Academy for pupils aged 9-13 serving a catchment in the west of Leek and including the village of Cheddleton. It has a pan of 768 and currently a roll of 747 for September 2014. At the census in January 2014 the roll stood at 722. There are currently waiting lists for Year 5 & 6.

**Structure, governance and management**

**Constitution**

The Academy is a charitable company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees are also the directors of the charitable company for the purposes of company law and the governors of the Academy. The charitable company is known as St Edward's Academy.

The Charitable Company was incorporated at Companies House on 3 December 2012. A Funding Agreement with the Secretary of State was signed on 21 December 2012 and St Edward's Church Of England Junior High School converted to academy status on 1 January 2013. The comparative figures in these accounts represent an 8 month accounting period in the previous year.

Details of the Trustees who served during the year, except as noted, 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.

**Trustees' indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

### **Method of recruitment and appointment or election of trustees**

Trustees are sought with the approval of the church parish council and by election in the case of parent and staff trustees.

The members shall appoint a minimum of 13 Trustees to include:

- a. The Incumbent who shall be a Governor ex officio;
- b. Two individuals to be appointed by the incumbent in his or her capacity as Members in consultation with the Parochial Church Council of the Parish of Leek and Meerbrook;
- c. Eight individuals to be appointed by the Church of England Central Education Trust (formerly known as Lichfield Diocesan Academies Trust); and
- d. One trustee who is a trustee in the Leek Federation to be appointed by Church of England Central Education Trust provided that:
  - i) A reciprocal arrangement allowing a Trustee of the Academy Trust to be appointed Trustee in the Leek Federation is in place; and
  - ii) Such persons are, in the opinion of Church of England Central Education Trust, committed to the Government and success of the Academy.

Church of England Central Education Trust may not appoint an employee of the Academy Trust as a Trustee if the number of Trustees who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Trustees. The Members may appoint up to three Staff Trustees through such process as they may determine. The Principal and the Incumbent shall be treated for all purposes as being ex officio Governors.

Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he/she is elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustees, including any questions of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Trustee which is contested shall be held by secret ballot. The arrangements made for the election of Parent Trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he/she prefers, by having his/her ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Trustee is required to be filled by election, the Governing Body shall take steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of Parent Trustees required shall be made up by Parent Trustees appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Trustee the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

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

The training and induction provided for new Trustees will depend on their existing experience. Diocesan Trustees are appointed in consultation with St Edward's Church to ensure that the persons are local and able to commit to the heavy workload/ attendance required. Skills gaps on the governing body are considered in the appointment of new Trustees. Experience relevant to the roles is also a key factor in determining persons who may be approached to consider the role of Trustee. Courses have been sought for new Trustees. Where necessary, an induction will provide training on charity and educational, legal and financial matters. All new Trustees will be given a tour of the Academy and the chance to meet with staff and students. All Trustees are provided, at an appropriate time, with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. A web area in the Learning Platform exists solely for the purpose of the governors to allow them to focus on key documents, new changes and to keep up to date with minutes of meetings and other key information. The area has a discussion facility. In addition this year training was provided for all trustees on the meaning of being a Christian school linking in the vision discussions for the Academy. Trustees also share with local trustees from other schools in the LEP their training on a local basis. Meetings have taken place this year with a view to making these links more formal for the Chairs and Vice chairs of the local schools. An Action plan for Trustees includes training provision.

### **Organisational structure**

The Governing Body will exercise its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Academy, addressing such matters as:

- policy development and strategic planning, including target-setting to keep up momentum on school improvement
- ensuring sound management and administration of the Academy, and ensuring that managers are equipped with relevant skills and guidance
- ensuring compliance with legal requirements
- establishing and maintaining a transparent system of prudent and effective internal controls
- management of the Academy's financial, human and other resources (in particular control over the spending identified in the Academy's development plan)
- monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon
- helping the Academy be responsive to the needs of parents and the community and making it more accountable through consultation and reporting
- maintaining the spiritual guidance of the school as a Church School
- setting the Academy's standards of conduct and values
- assessing and managing risk

The structure consists of three levels: the Trustees, the Senior Leadership team and the Extended Leadership Group involving support staff with key positions and the Leaders of Learning and Progress Leaders who form the middle managers of the Academy. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and staff appointments. The Principal is the Accounting officer, the Business manager is the Company Secretary and an experienced business governor is the Responsible officer.

### **Organisational structure (continued)**

The Senior Leaders are the Principal, the Vice Principal, two Assistant Principals, a Lead Practitioner and the Business Manager. The Lead Practitioner signifies the emphasis on Teaching and Learning in the School. These leaders control the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels always contain a governor. Some spending control is devolved to members of the Middle Management Team, with limits above which a Senior Leader must countersign.

The Management Team includes the Senior Leadership Team and Leaders of Learning and Progress Leaders. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

### **Risk management**

A SWOT analysis has been carried out by the leadership team along with the Risk compliance audit by the Business Manager and Principal. Strategies have been identified to control and manage risks to the Academy.

The Academy has considerable reliance on continued government funding through the EFA. In 2013/14, 95% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue with all funding from this source. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17. This has reduced risk since the government directive to support the pooling of risk with Local Authorities for the Academy.

The Academy have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (eg teaching, health and safety and in relation to the control of finance). Strategies have been identified to control and manage risk and where significant risk still remains, adequate insurance cover is in place. The Academy has an effective system of internal financial control and this is explained in more detail in the Financial and Risk management objectives and policies statement.

The focus and understanding of risk lies with the Risk Register. This itemises the level of risk for Strategic and Reputational Risk, Operational Risk, Compliance Risk and Financial Risk. Review of these risks takes place at regular intervals or adapts to changing circumstances. Changing patterns of government finance towards all schools and middle schools in particular has been closely monitored with submissions to Forum and DFE consultations on changing patterns of funding and changes to admission procedures. The Academy also takes an active part in the Staffordshire Middle School Heads and the National Middle Schools Forum to keep updated and submit views to the key funding bodies. The Academy has chosen to maintain a calculated balance of reserves to mitigate any future sudden change in funding.

The Academy has looked at projected numbers for the next two years and based on current provision falling numbers are unlikely but this is constantly under review and forms part of cautious budget planning. The risk of inherited pension deficit for local government workers remains a significant financial risk but this has been offset by the government's direction to local authorities. The government have provided a guarantee that the Department of Education will meet any pension liabilities should an academy close. The risk assessment has therefore meant a more equitable rate from the administering authorities. (Michael Gove July 4th 2013 statement to Parliament). In addition a consultation by the DCLG will take place with a view to academies potentially pooling liabilities. We await the outcome of this review.

**Connected organisations, including related party relationships**

St Edward's C. E. Academy operates working with several groups. Firstly it is part of the Leek Education Partnership a partnership of 19 schools who share a collaboration agreement to work together for the benefit of all to further the education within the district.

St Edward's C. E First, Cheddleton  
Westwood First School, Leek  
Woodcroft First School, Leek  
All Saint's CE ( VA) First School, Leek  
Leek County First School, Leek  
Beresford Memorial CE ( VA) First School, Leek  
Leek High School  
Westwood College  
Churnet View Middle School  
Waterhouses CE ( C) Primary  
Blackshaw Moor (CE) VA First School  
Rushton (CE) C Primary School  
St John's CE ( C) Primary School  
St Michael's CE (C) First School  
St Batholomew's First School  
Blackshaw Moor CE School  
Hollinsclough C of E Primary School  
Springfield Community Special School  
The Meadows

The object of the Collaboration is to enhance the quality of outcomes for the students within our schools, and of the wider community, by working together to

- Improve teaching and learning
- Provide better quality training opportunities for all staff
- Improve outcomes for young people, in Leek and the surrounding area, by offering a full range of learning opportunities across the 3 – 19 age range. There will be the chance to develop cross – phase curricular developments and address personalisation, to enhance the quality of teaching and learning, for example, work with Able Learners and Special Needs students
- Address more effectively issues relating to families and communities, for example, work with vulnerable families and inclusion
- Tackle issues relating to attainment more effectively across the pyramid by, for example, reducing underachievement
- Examine the potential to offer joint appointments across the schools
- Achieve economies of scale in purchasing policy for example, catering procurement, ICT technical support, administrative supplies, maintenance work
- Achieve savings in planning and administrative time, and developing the potential for administrative staff who can work with each school
- Enhance strategic planning across all phases
- Seek to develop a shared sense of identity and a common sense of purpose
- Build capacity across all phases
- Join together to access extended services
- Improve further the transition of students between phases

### **Connected organisations, including related party relationships (continued)**

The group have a Development plan to support their aim and objectives. The Academy also works in collaboration with the Leek Federation, a group of 3 schools within Leek which contain the age range 9-19 for the whole of the town. Once again there is a shared plan and aims. There are meetings and shared policies and workings with regard to Teaching and Learning, assessment, data transfer and interpretation and the sharing of contracts to look at purchasing with regard to reducing costs. Members of staff work for Entrust in an advisory capacity and also the Britannia Teaching Alliance. We have also joined the Painsley Teaching Alliance to secure services and training for NQTs at reduced cost.

We belong to CECET, the Church of England Central Education Trust and benefit from their offers of training and support. We belong to the Staffordshire Middle School Heads' Association to share and benefit from good practice across all middle schools within Staffordshire. In addition, we belong to the NMSF, National Middle Schools Forum for the sharing of ideas, data for benchmarking and updated information with regard to best practice across 167 middle schools within the country.

### **Objectives and Activities**

#### **Objects and aims**

The principal object and activity of the company is the operation of St Edward's Academy to advance, for the public benefit, education and well being for students of different abilities between the ages of 9-13. The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's aims and objectives.

In accordance with the articles of association the company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the Academy during the year ended 31 August 2014 are summarised below. St Edward's Academy seeks to ensure that all students aim to maximise their attainment by:

#### **Learning and Achievement**

- Focusing on the progress of target groups and those making limited progress in English and Maths at KS 2 and KS 3
- Improving within school variation between subjects with regard to levels of attainment
- Raising the profile of target setting by encouraging pupils to be reflective learners. The development of PLTS framework to develop thinking skills and creativity

#### **Student Welfare**

- Reducing incidents of unacceptable behaviour within the classroom
- Safeguarding profile
- Focus on students at risk of underperformance
- Maintain a safe and healthy school for pupils, staff and others who may be affected by the activities

#### **Leadership and Management**

- Raising the profile of the Academy within the local community
- Develop the leadership skills of Staff to promote middle leadership
- Developing the relationship with the Diocese of Lichfield

#### **Finance and Human Resources**

- Obtaining best value as an Academy
- Further develop skills budget setting based on model ensure solvency
- Implements financial policies and procedures

The Academy have also supported Macmillan Cancer Care raising £ 960, and for LEPRAs raising £777.

### **Objectives, strategies and activities**

St Edward's Academy's aspirations of 'Learn for Life' are reflected in the culture and ethos of the Academy, in the way in which our community is built upon a Christian ethos which promotes sensitivity, tolerance and the appreciation of difference; at the heart of our work is the lifelong education of the young people in our care to the best possible outcome. To this end the activities provided include:

- tuition and learning opportunities for all students to attain successful outcomes
- training opportunities and sharing of good practice for all staff designed to improve effectiveness and enhance career progression
- a programme of sporting and after school leisure activities for all students
- involvement in a large range of activities beyond the framework of the classroom and links with the community and church and international experiences

Our vision has been renegotiated this year with all our stakeholders and the following is the outcome of these consultations:

Following Christian principles based on the teachings of Jesus, where every person is loved and accepted by God, our vision is to prepare all our young people academically, physically, emotionally and spiritually, so they realise their God given potential, becoming lifelong learners and effective contributors to our global community.

Our mission is to create a centre of creative teaching and learning excellence, with high standards and expectations that promotes skills for life and celebrates achievement, participation and well-being for all.

Our aims and values are:

- Offer a broad, rich and exciting curriculum in a stimulating Christian environment that recognises and develops every person's potential, individual skills and talents
- Encourage self-confidence, independence of thought and self motivation to prepare our young people for the challenges of the future
- Nurture and develop a team environment that encourages and supports all staff in their professional development, well-being and personal fulfilment
- Continue to nurture and grow a learning community where our pupils, their families, staff and governors have a real sense of family and belonging.
- Be a focal point at the heart of our local community, building strong and cohesive links with the wider community and the world at large.
- Promote the values of respect, kindness, compassion, fairness, forgiveness, love, honesty and trust.

The Academy is committed to sustainable development throughout all aspects of its operations. The Academy will continue to strive to meet or exceed Sustainable Development in Government targets

### **Public benefit**

The aim of the Academy is to advance for the public benefit education in the UK, in particular but without prejudice to the generality of the foregoing by establishing and 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 religious education.

The Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Academy.

## **Strategic report**

### **Achievements and performance**

Total students in the year ended 31 August 2013 numbered 721. The Academy has agreement from the Department for Education (DfE) for a PAN of 192 students.

The effective and efficient operation of St Edward's Academy is exemplified by some aspects of the student's attainment, achievement and progression.

Attainment of pupils on entry is broadly above average according to national figures at KS1, during their time at the school pupils make good progress from their baseline test. The proportions making and exceeding the expected number of points is good. Pupils complete the shortened KS3 so three years are contained within two. Results in Year 8 (KS3) compare favourably with pupils in Year 9 and will exceed county for Yr 9 in maths and science at Level 5 and 6 (2013) English has improved this year with the 84.5 % achieving level 5 + and Level 6 + 45.6% both of these figures exceed the 2013 figures for middle schools benchmarking and last national levels. Staff changes have impacted on this upper level for pupils. Maths Level 5 + 88.8% is the highest ever achieved as is the Level 6 + 68.6%, this compares with 66% achieved by middle school benchmarking comparisons for 2013. Science at 98.8% Level 5 + and Level 6+ 74.8% also exceeds middle school benchmarking for 2013.

2014 KS2 results in English and Maths showed improvement as this cohort was stronger than last year. (APS 0.3 higher at KS1). Pupils made good progress from their baseline at KS2 with 9.17 average progress points. There is little difference between girls and boys although girls are slightly weaker at maths. School action and School action plus pupils made good progress in English. Pupil premium pupils showed a maximum gap of 6% or less from all pupils. KS 2 results English Level 4+ 86.3% Level 5 46.7 % . The number of Level 5+ is over 10% higher than in previous highest year and the highest obtained ever by the school. Maths have attained their highest results ever for both Level 4 + 88.5% and Level 5 + 46.7 % . In addition, this year the number entered for level 6 maths was higher and 10.9 % of Year 6 pupils obtained Level 6 + in the additional exam. These figures for maths exceed both County and National figures. Science has also reached their highest results with level 4 + 99% and Level 5 82.5%. These results in Maths and English not only exceed the 2014 floor standard of 65%, but also exceed the 2016 85% level. Points progress analysis shows that most sub groups make good progress with PP pupils making over 8 points progress in 2 years in both maths and writing from their point of entry. Pupils who are School Action and School Action plus make good progress in Reading and writing, owing to the excellent support provided by specialist teaching assistants and the links built with specialist agencies. This category will cease to exist next year owing to new legislation but the Academy will maintain their own record using the Wave model.

To ensure that standards are continually raised the Academy operates a programme of observation of lessons and Learning walks; conducts Departmental Reviews and Work Scrutiny; is visited by inspectors and staff from other schools; undertakes a comparison of results from Year 5 to Year 8 with external moderation of entry and exit exams for English and Maths. Moderation of work also takes place across the LEP partnership of schools and additionally this year a route to agreed assessment is being negotiated using best practice.

The Academy has also achieved the International Schools Award full status for the third consecutive time. The school won the Staffordshire Schools Year 7 Football championships, Year 7 League Football Champions Staffordshire, Year 7 Rugby Championship, Cross Country Team County winners for Yr 8 & 9. British Chess Educational Trust, on behalf of the English Chess Federation have awarded the Academy an award 'one of only 6 in the country to have shown' outstanding achievement or enthusiasm in chess.' We were nominated by Staffordshire County Chess Association for the award over many years for the promotion and teaching of quality chess to the young people of the Staffordshire Moorlands. This is a National award usually only given to public schools.

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

### **Achievements and performance (continued)**

In its Full Ofsted Inspection in September 2014, Ofsted concluded that the Academy was a 'Good school'. Key features were:

-By the time they leave, pupils' achievement in reading, writing and mathematics is increasingly good. In the past eighteen months, there has been rapid improvement in pupils' progress in all three subjects.

-Teaching is good and continues to improve. Teachers have high expectations and use their good subject knowledge to plan work that quickly engages pupils in their learning.

-Teachers' use of assessment to plan teaching is increasingly secure. The school is making good progress in revising its approach to assessment in the light of the recent changes to the national curriculum.

-Disabled pupils and those who have special educational needs get good support from well-qualified teaching assistants and, as a result, make good progress.

-Pupils behave well and have positive attitudes to learning. Pupils show high levels of respect to staff and to each other throughout the school.

-Pupils say they enjoy coming to school, feel safe and well cared for, and are proud of their school.

-The curriculum is carefully planned to stimulate pupils' interest and ensure they are keen to learn. Pupils' spiritual, moral, social and cultural development is exceptionally well supported through well-planned assemblies, lesson activities, educational trips and visits, and many after-school clubs and activities.

-The Principal has high aspirations for the school and provides strong leadership. She has introduced changes which have improved the quality of teaching and raised pupils' achievement. She is well supported by all of the staff, who share her commitment to improve standards.

-Governors know the school well. They work effectively as a team and increasingly hold senior leaders to account for the quality of the school's performance.

Overall effectiveness: how good is the school – Grade 2

Leadership and Management	Good
Quality of Teaching	Good
Behaviour and Safety	Good
Achievement of Pupils	Good

### **Going concern**

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

## **Financial review**

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

The Academy's financial objectives are:

- to achieve an annual operating surplus
- to pursue alternative sources of funding, on a selective basis, consistent with the Academy's core competencies, and the need for a financial contribution to the Academy's overall finances
- to generate sufficient levels of income to support the asset base of the Academy
- to further improve the Academy's shorter term liquidity
- to fund continued capital investment.

These objectives were achieved in the year ended 31 August 2014.

Most of the Academy's income is 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 2014 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2014, total expenditure (excluding depreciation) of £3,034,121 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and LPGS pension adjustments) was £146,759.

At 31 August 2014 the net book value of fixed assets was £1,254,667 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Local Government Pension Scheme (LGPS) deficit at the year end totalled £1,136,000 (2013 - £770,000). The agreed contribution rates for future years are 19.2% for employers and 5.5% to 7.5% for employees.

The option to join the RPA for insurance has not been taken up until the success of this new scheme can be evaluated by the Academy.

Pupil numbers this year exceeded the PAN for the entry year group and projected figures for the future are good with a slight fall for next year. Currently both Year 5 and 6 are oversubscribed with waiting lists.

Expenditure continues to support the enhancing of the ratios of staff to pupils in order to support better progress in Maths and English. The success of this year has proved that this is a valid action. Although this was targeted to Pupil premium pupils all pupils have benefited. The key objectives are to raise the outcomes for all pupils and in particular those pupils with emotional and social issues and sub groups identified by the Academy. Spending money on the Learning Support Centre has supported this aim to reduce the number of pupils excluded and to provide a quicker and easier contact point for pupils and parents. The centre has supported the integration of pupils from other schools who may have been facing difficulties as they reintegrate into mainstream. More than one pupils has been able to access mainstream education from private run facilities as a result of this centre. The centre also has an area for self-reflection by the pupils. This is of value in supporting the individual progress of pupils and the support for those in other classes who may benefit as a consequence. Parents have acknowledged the value of the centre in the integration of pupils from difficult circumstances. This year the school was oversubscribed for places generating more income.

### **Achievements and performance (continued)**

Caution has been held in expenditure on capital projects to allow for an overview of the budget and for the carry over for next year. This is in part in response to the changes and the large reduction that has been notified by the EFA with regard to the Education Services Grant (ESG) that the Academy receives (£140 reduced to £87). Two applications were made to the ACMF for funding with regard to the flat roof replacement and the renovation for the Science lab however neither application was successful.

The changed lettings policy has secured a better income from lettings of the buildings this year. Income from letting has increased to £9,563 (2013 - £1,292) this year.

### **Principal risks and uncertainties**

The Academy has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

The Trustees and Senior Leadership Team undertake a termly comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Trustees and Senior Leadership Team will also consider any risks which may arise as a result of any new area of work being undertaken by the Academy.

The Risk Management Strategy aims to ensure that the Academy complies with risk management best practice and with the requirements of both the Turnbull Guidance and the HM Treasury guidance contained in publication "Management of Risk – Principles and Concepts". St Edward's risk management is embedded in our on-going risk management processes. This will enable us to succeed in our aim which is to achieve an acceptable level of comfort using the available resource and for the Board to be able to report sound arrangements in annual accounts.

The current processes and responsibilities for risk management in St Edward's Academy can be summarised as:

- The Governing Body acknowledges responsibility for the system of internal control
- An on-going process is in place for identifying, evaluating and managing all significant risks
- An annual process is in place for reviewing the effectiveness of the system of internal control
- There is a system in place to deal with internal control aspects of any significant issues disclosed in the annual report and accounts

In assessing what constitutes a sound system of internal control the Governing Body gives consideration to:

- The nature and extent of the risks facing the Academy
- The extent and categories of risk which it regards as acceptable
- The likelihood of the risks concerned materialising
- The Academy's ability to reduce the incidence and impact of the risks that do materialise

The objectives for managing risk across St Edward's Academy are:

- To comply with risk management best practice, including the Turnbull guidelines
- To ensure risks facing the Academy are identified and appropriately documented
- To provide assurance to the Governing Body that risks are being adequately controlled, or identify areas for improvement
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risks

The Academy's Risk Management strategy aims to:

- Outline the roles and responsibilities for risk management.
- Identify risk management processes to ensure that all risks are appropriately identified, controlled and monitored
- Ensure appropriate levels of awareness throughout the Academy.

### **Principal risks and uncertainties (continued)**

The Principal has overall responsibility for risk management. The Business manager and Principal have lead responsibility for risk management processes and the Academy-wide Risk Register. This responsibility includes:

- Monitoring the performance of risk management processes
- Ensuring that appropriate controls are in place to manage identified risks
- Undertaking training to further the understanding of some of these risks
- Preparation of periodic reports to the Strategy & Development Committee and the Full Governing Body.

The Risk Register is formally reviewed regularly by the School Business Manager and the Principal. A Risk Management Plan is submitted yearly to the Strategy & Development Committee. The Risk Management Plan is monitored by the Strategy & Development Committee and forms part of that Committee's report to the Full Governing Body. An additional Fraud checklist has been added this year to increase the robustness and tighten the rigour of control within the Academy.

Our approach to risk management is linked to the Academy's strategic aims and objectives. These have been set and agreed with the Full Governing Body and can be summarised, in our context, as:

- High achievement and high value added
- Outstanding leadership and management
- Outstanding infrastructure
- Financial efficiency and excellent value for money
- Inspiring and supportive culture
- Strong community and stakeholder partnerships

The structure and organisation of the Academy's Risk Register follows the above structure to ensure that all significant objectives and activities have been identified and the risks associated with each area have been identified.

The St Edward's Academy Intervention Strategy is compiled within the compass of the 'risk cycle' as identified within the Risk Register.

The Academy's Risk Strategy which is premised around the framework of Risk Management.

- Risk governance – sets the tone and culture
- Risk assessment – to identify new and changing risk landscape
- Risk quantification and aggregation – enables prioritisation
- Monitoring and reporting – of performance
- Risk and control optimisation – framework of controls to optimise cost / benefit

For the purposes of this Intervention Strategy the Academy will define its Operational Risk Appetite (ORA) as "the amount and type of risk that The Academy is prepared to seek, accept or tolerate". The Academy has adopted a robust risk management framework and Intervention Strategy. We are seeking to put in place a holistic risk management approach across the organisation. The challenge is how to make incremental improvements that have high value but low impact.

We recognise that an element of risk (innovation) is good for the further development of the institution but understand that the risk needs to be properly controlled and regulated. In simple terms, expressing ORA is a question of defining what is acceptable to The Academy and what is not. This will be achieved within both the Risk Management and Intervention Strategies by deciding, for each type of risk, what is acceptable, what is unacceptable, and the parameters of the area between those two i.e. what is tolerable.

In order to ensure effective monitoring and governance, the risk appetite, and attendant intervention strategies, will incorporate a balanced mix of both quantitative and qualitative measures.

Quantitative Measures – income, expenditure, student numbers

Qualitative Measures – reputation, press relations, management effort

### **Principal risks and uncertainties (continued)**

This approach will be applied across the full range of operational risk framework components (including risk and control self-assessment and scenario analysis) and will provide us with a clear indication of proportional response to the perceived materiality of the associated risk. Specifying a timeframe for resolution will emphasise the perceived urgency and significance of the underlying issue. This will promote a consistent understanding, of risk, across The Academy.

From the perspective of St Edward's Academy as a business there are a number of benefits to be accrued by defining ORA and our intervention strategies as this will:

- Enable the Governing Body to exercise appropriate oversight and corporate governance by defining the nature and level of risks it considers acceptable (and unacceptable) and thus setting boundaries for future activities and behaviours.
- Provide a means of expressing SLT's attitude to risk, which can then be communicated throughout The Academy as part of promoting a risk aware culture.
- Establish a framework for decision making (which risks can be accepted/retained, which risks should be mitigated and by how much) which ensures an appropriate balance between being risk seeking and risk averse.
- Improve the allocation of risk management resources by bringing focus to higher priority issues.
- Ensure an enhanced view of risk expenditure so that the costs of risk do not exceed the benefits.
- Align strategic goals and operational activities through optimising the balance between the development of The Academy and the related risks inherent in pursuing those goals. This will enable the strategy to be put into effect.
- Encourage more conscious and effective risk management practices.

#### **Government funding:**

The Academy has considerable reliance on continued government funding through the EFA. In 2013-2014, 95% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue with all funding from this source. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The academy tried to obtain a grant from the ACMF and submitted two cases but neither was successful for the January 2014 round.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA

#### **Maintain adequate funding of pension liabilities:**

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17. This has reduced risk since the government directive to support the pooling of risk with Local Authorities for the Academy.

### **Reserves policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees had determined that the appropriate level of free reserves was £50,000. This has subsequently been reviewed by the Governing Body in September 2014 and increased to £100,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £296,936 which is for future planned projects. One project may involve the maintenance and improvement of the flat roof to the Academy as the ACMF grant was unsuccessful. The Academy intends to continue building up free reserves to the level needed to undertake building development and refurbishment but this may not be possible given the possible cut to grants notified by the EFA for 2015-2016. A cautious approach has been adopted owing to the need for monies for contingent liabilities.

### **Reserves policy (continued)**

The Academy held fund balances at 31 August 2014 of £694,015 comprising £260,133 of restricted funds, £296,936 of unrestricted general funds, restricted fixed asset funds of £1,272,946 and a pension reserve deficit of £1,136,000.

### **Investment policy**

Investments are made in compliance with the Academy's Investment Policy. The Trustees seek to invest surplus funds in a manner to obtain the best possible return and these are invested with reputable and ethical investors. The aim of the Investment Policy is to maximise returns in order to increase the resources available to our staff so that we can achieve our aim of increasing academic standards.

### **Plans for future periods**

### **Future developments**

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students receive any support they need for the next stage of their education. The Academy will also attempt to increase its recruitment up to the PAN (Pupil Admission Number), accepting transfers from other schools and Academies into all years where possible. This Year 5 exceeded PAN owing to successful appeals.

The Academy aims in the future to provide the opportunity for local groups to use our facilities as a community resource. To achieve this we have drawn up a review of lettings based on an identification and analysis of need. Success will be measured by an increase in income in this area. This year has shown an upwards trend and some have been used to further the good name of the Academy eg for the Chess Regional and National Tournaments. The plan's aim is to establish ways to benefit the wider community (from links with mainly local secondary and primary schools) and direct access to the Academy's facilities, curricular materials and the expertise of Academy staff.

### **Employee involvement and employment of the disabled**

The Academy is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

The Academy's Equality Statement is published on its website and is reviewed each year.

The Academy considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Academy continues. The Academy's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees. An equalities plan is published each year and monitored by Senior Leaders and Governors.

The Academy seeks to achieve the objectives set down in the Equality Act 2010 and the relevant parts of the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts of 2001 and 2005. As part of its Asset Management Plan the Academy updates its access audit. A Lift, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all areas. Any new buildings will be fully compliant with all access legislation. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development. Compliance with the recent increased rigour in legislation is evidenced in the Medical Conditions Policy September 2014 and the Academy Local Offer for SEN.

a) The Academy has provided information, advice and arranged support where necessary for students with disabilities.

b) There is a list of specialist equipment which the Academy can make available or obtain for use by students and a range of assistive technology is available if required.

c) The admissions policy for all students is described in the Academy charter and on the website. Appeals against a decision not to offer a place are dealt with under the terms of the policy and referred to an independent panel.

e) The Academy has made a significant investment in the appointment of specialist teachers to support students with learning difficulties and/or disabilities. There are a number of Learning Support Assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities. A centre is still being developed to support students with more additional needs for both learning and emotional support. Further resources have been targeted towards this centre.

f) Counselling and welfare services are available for referral both inside and out of the Academy with the Academy retaining an SLA with the LST for the local area.

#### **Disclosure of information to auditors**

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

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

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2014 and signed on the board's behalf by:



**Mr J Morton**  
**Chair of Governors**

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Governance Statement**

---

**Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 Edward's Church Of England Academy Trust, Leek and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Morton, Chair of Trustees (elected as Chair 16 October 2013)	4	4
Rev M Parker	0	3
Rev L Price	4	4
Rev N Irons	1	1
Mrs E Clarke, Principal and Accounting Officer	4	4
Mr C Abell, Staff Trustee	4	4
Mrs R Bell	4	4
Mrs M Collier, Staff Trustee	4	4
Mrs H De Gale	3	4
Mrs C Hall	4	4
Mrs P Handforth, Staff Trustee	2	4
Mr C Hesketh	4	4
Mr K Hollins	2	4
Dr G Lewis	4	4
Mr F Murray	2	4
Mrs D Potts	2	4
Miss E Priestman	3	4
Mr G Torr	4	4
Mrs B Tunnicliff	4	4
Mrs C Simmonds, Responsible Officer	3	4
Miss A Bennett	0	1
Mrs J Turner	0	1
Mr A Wilson	0	0

Changes to the board of trustees during the year are outlined on page 1. There have been no major challenges for the Board during the year, although the bid for the Academies Capital Maintenance Fund was unsuccessful so alternative strategies have been put in place with future bids to be outsourced. The new Ofsted criteria have been met by the governors with the latest Ofsted report stating that 'They (the trustees) work effectively as a team and increasingly hold senior leaders to account for the quality of the school's performance.' The issue of trip place allocation has been resolved with all pupils having some opportunity within the school years for residential trips should they wish.

**Governance Statement (continued)**

---

**Governance reviews:**

There has been an audit of Governance by Staffordshire Audit Service. The Academy achieved substantial assurance as of November 2013. Two areas for improvement were identified with;

- Financial Reporting timeline was not in place at the time of the audit to ensure compliance within regulatory and statutory financial reporting deadlines; and
- Terms of Reference for the Full Governing Body and the Sub-committees in place had not been approved by the Full Governing Body at the time of the audit.

Both of these were actioned within the term.

Ofsted, an external body, reviewed documentation from the governors during the Ofsted inspection in September 2014. The below extract is from the Ofsted report in September 2014 relating to governance.

- Governors are proud of the school and are committed to providing the best possible education for the pupils who attend. They are clear about the school's strengths and weaknesses and visit it regularly to get first-hand information about the quality of teaching and pupils' progress. They take part in learning walks, interview staff and pupils, look at pupils' work and gain parents' views through speaking to them and using questionnaires. They have taken part in extensive training, including on safeguarding and safer recruitment procedures. They are very aware of their role in ensuring the health and safety of pupils in school, including the requirements to promote British values of tolerance and respect.
- Governors have a good understanding of what published data says about the school's performance and receive regular updates on pupils' progress from the presentations from the Principal and other senior staff. They know how the pupil premium and sports funding are being spent and the difference they are making.
- Governors oversee the systems for managing staff performance well. They set exacting targets for the Principal and senior staff, and make sure that salary increases are linked to staff meeting targets.
- Governors monitor finances closely to ensure that the school gets best value when purchasing goods and services.

Next year a further audit of governance will be carried out by Staffordshire Audit Service.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to monitor the financial activities of the Academy and make decisions relating to finance. In addition the finance committee has also been given the responsibilities of the audit committee, in order to review the controls over the academy's finances.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Hesketh	2	4
Mrs E Clarke	4	4
Mr F Murray	3	4
Mr G Torr	4	4
Mr C Abell	4	4
Mr J Morton	4	4
Mr B Tunnicliffe	2	3

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Edward's Church Of England Academy Trust, Leek for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Staffordshire County Council as internal auditor. The Governing Body has also appointed Mrs C Simmonds, a Governor, as Responsible Officer (RO).

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the internal auditor reports to the board of trustees, via Mrs C Simmonds, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditors has delivered their schedule of work as planned, and no material control issues have been identified.


**Review of Effectiveness**

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 3 December 2014 and signed on its behalf, by:



**Mr J. Morton**  
**Chair of Governors**



**Mrs E Clarke**  
**Accounting Officer**

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

---

As Accounting Officer of St Edward's Church Of England Academy Trust, Leek I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

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

I confirm that 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 trustees and EFA.



**Mrs E Clarke**  
**Accounting Officer**

Date: 3 December 2014

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Trustees' Responsibilities Statement**  
**For the year ended 31 August 2014**

---

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

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

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

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

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

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

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



**Mr J Morton**  
**Chair of Governors**

**Date: 3 December 2014**

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Independent Auditors' Report to the Board of Trustees of St Edward's Church Of England Academy Trust, Leek**

---

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

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

**Respective responsibilities of Trustees and auditors**

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

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

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

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

**Opinion on financial statements**

In our opinion the financial statements:

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

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

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

**St Edward's Church Of England Academy Trust, Leek  
(A company limited by guarantee)**

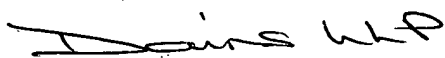
**Independent Auditors' Report to the Board of Trustees of St Edward's Church Of England Academy  
Trust, Leek**

---

**Matters on which we are required to report by exception**

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

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



Jonathan Dudley (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

Date: 11 December 2014

**St Edward's Church Of England Academy Trust, Leek  
(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to St Edward's Church Of England Academy Trust, Leek and the Education Funding Agency**

---

In accordance with the terms of our engagement letter dated 8 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Edward's Church Of England Academy Trust, Leek during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Edward's Church Of England Academy Trust, Leek and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Edward's Church Of England Academy Trust, Leek and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Edward's Church Of England Academy Trust, Leek and EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of St Edward's Church Of England Academy Trust, Leek's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of St Edward's Church Of England Academy Trust, Leek's funding agreement with the Secretary of State for Education dated 21 December 2012, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

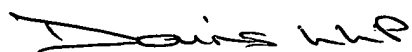
**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to St Edward's Church Of England Academy Trust, Leek and the Education Funding Agency (continued)**

---

**Conclusion**

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



**Dains LLP**

Statutory Auditor  
Chartered Accountants

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

Date: 11 December 2014

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Statement of Financial Activities**  
**(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**  
**For the year ended 31 August 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Voluntary income - transfer on conversion	2	-	-	-	-	847,559
Other voluntary income	2	7,818	2,983	-	10,801	10,094
Activities for generating funds	3	66,865	10,052	-	76,917	4,299
Investment income	4	766	-	-	766	283
Funding for the academy trust's educational operations		-	3,101,993	22,840	3,124,833	2,107,224
<b>Total incoming resources</b>		<b>75,449</b>	<b>3,115,028</b>	<b>22,840</b>	<b>3,213,317</b>	<b>2,969,459</b>
<b>Resources expended</b>						
Costs of generating funds:						
Fundraising expenses and other costs		2,137	-	-	2,137	576
Charitable activities:	7					
Academy trust educational operations		10,308	3,010,108	32,005	3,052,421	1,981,832
Governance costs	8	-	11,568	-	11,568	65,227
<b>Total resources expended</b>	6	<b>12,445</b>	<b>3,021,676</b>	<b>32,005</b>	<b>3,066,126</b>	<b>2,047,635</b>
<b>Net incoming resources before transfers</b>		<b>63,004</b>	<b>93,352</b>	<b>(9,165)</b>	<b>147,191</b>	<b>921,824</b>

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Statement of Financial Activities (continued)**  
**For the year ended 31 August 2014**

		<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Restricted fixed asset funds 2014 £</b>	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
Transfers between Funds	16	(6,921)	(63,718)	70,639	-	-
<b>Net income/(expenditure) for the year</b>		<b>56,083</b>	<b>29,634</b>	<b>61,474</b>	<b>147,191</b>	921,824
Actuarial loss on defined benefit pension scheme		-	(311,000)	-	(311,000)	(64,000)
<b>Net movement in funds for the year</b>		<b>56,083</b>	<b>(281,366)</b>	<b>61,474</b>	<b>(163,809)</b>	857,824
Total funds at 1 September 2013		240,853	(594,501)	1,211,472	857,824	-
<b>Total funds at 31 August 2014</b>		<b>296,936</b>	<b>(875,867)</b>	<b>1,272,946</b>	<b>694,015</b>	857,824

All activities relate to continuing operations.

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

The notes on pages 32 to 53 form part of these financial statements.

**St Edward's Church Of England Academy Trust, Leek**

(A company limited by guarantee)

Registered number: 08316327

**Balance Sheet**

**As at 31 August 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	13		1,254,667		1,211,472
<b>Current assets</b>					
Debtors	14	142,094		53,180	
Cash at bank and in hand		727,431		570,929	
		<u>869,525</u>		<u>624,109</u>	
<b>Creditors:</b> amounts falling due within one year	15	(294,177)		(207,757)	
<b>Net current assets</b>			<u>575,348</u>		<u>416,352</u>
<b>Total assets less current liabilities</b>			<u>1,830,015</u>		<u>1,627,824</u>
Defined benefit pension scheme liability	23	(1,136,000)		(770,000)	
<b>Net assets including pension scheme liability</b>			<u>694,015</u>		<u>857,824</u>
<b>Funds of the academy</b>					
Restricted funds:					
Restricted funds	16	260,133		175,499	
Restricted fixed asset funds	16	1,272,946		1,211,472	
Restricted funds excluding pension liability		<u>1,533,079</u>		<u>1,386,971</u>	
Pension reserve		(1,136,000)		(770,000)	
Total restricted funds			<u>397,079</u>		<u>616,971</u>
Unrestricted funds	16		<u>296,936</u>		<u>240,853</u>
<b>Total funds</b>			<u>694,015</u>		<u>857,824</u>

The financial statements were approved by the Trustees, and authorised for issue, on 3 December 2014 and are signed on their behalf, by:



**Mr J Morton**  
**Chair Of Governors**

The notes on pages 32 to 53 form part of these financial statements.

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Cash Flow Statement**  
**For the year ended 31 August 2014**

		<b>31 August 2014</b>	<b>8 months ended 31 August 2013</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Net cash flow from operating activities	18	208,096	266,561
Returns on investments and servicing of finance	19	766	283
Capital expenditure and financial investment	19	(52,360)	(1,950)
Cash transferred on conversion to an academy	19	-	306,035
<b>Increase in cash in the year</b>		<b>156,502</b>	<b>570,929</b>

**Reconciliation of Net Cash Flow to Movement in Net Funds**  
**For the year ended 31 August 2014**

	<b>31 August 2014</b>	<b>8 months ended 31 August 2013</b>
	<b>£</b>	<b>£</b>
Increase in cash in the year	156,502	570,929
<b>Movement in net funds in the year</b>	<b>156,502</b>	<b>570,929</b>
Net funds at 1 September 2013	570,929	-
<b>Net funds at 31 August 2014</b>	<b>727,431</b>	<b>570,929</b>

The notes on pages 32 to 53 form part of these financial statements.

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

---

**1. Accounting Policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards

**1.2 Going concern**

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

**1.3 Incoming resources**

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

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

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

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

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

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

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

**1. Accounting Policies (continued)**

**1.4 Resources expended**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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

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

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

Leasehold land	-	Over the term of the lease
Building improvements	-	10% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

**1.6 Operating leases**

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

**1. Accounting Policies (continued)**

**1.7 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.

**1.8 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**1.9 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**2. Voluntary income**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Voluntary income transfer on conversion	-	-	-	847,559
Donations	7,818	2,983	10,801	10,094
Voluntary income	7,818	2,983	10,801	857,653

**3. Activities for generating funds**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Hire of facilities	9,563	-	9,563	1,292
Catering surplus	-	-	-	1,787
Solar panel income	7,842	-	7,842	1,115
Sale of other goods and services	564	10,052	10,616	105
Staff insurance income	48,896	-	48,896	-
	66,865	10,052	76,917	4,299

**4. Charity trading income**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Investment income	766	-	766	283

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**5. Funding for Academy's educational operations**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
<b>DfE/EFA revenue grants</b>				
General annual grant	-	2,823,259	2,823,259	1,928,013
Start up grant	-	-	-	25,000
Pupil Premium	-	112,382	112,382	67,959
PE teaching grant	-	9,740	9,740	5,067
Capital grant	-	22,840	22,840	-
Y7 Catch up grant	-	21,500	21,500	-
	-	2,989,721	2,989,721	2,026,039
<b>Other government grants</b>				
Special educational needs	-	33,366	33,366	13,754
	-	33,366	33,366	13,754
<b>Other income</b>				
Income from staff secondment	-	-	-	14,041
Music tuition fees, revision guides and other	-	5,911	5,911	2,966
Trip income	-	76,311	76,311	50,424
Outdoor Education income	-	19,526	19,526	-
	-	101,748	101,748	67,431
	-	3,124,835	3,124,835	2,107,224

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**6. Resources expended**

	<b>Staff costs</b>	<b>Non Pay</b>	<b>Expenditure</b>	<b>Total</b>	<b>Total</b>
	<b>2014</b>	<b>Premises</b>	<b>Other costs</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>2014</b>	<b>2014</b>	<b>£</b>	<b>£</b>
		<b>£</b>	<b>£</b>		
Fundraising expenses	-	-	2,137	2,137	575
<b>Costs of generating funds</b>	-	-	2,137	2,137	575
Direct costs	2,144,699	-	190,330	2,335,029	1,518,956
Support costs	239,587	198,402	279,403	717,392	462,876
<b>Charitable activities</b>	<b>2,384,286</b>	<b>198,402</b>	<b>469,733</b>	<b>3,052,421</b>	<b>1,981,832</b>
<b>Governance</b>	-	-	11,568	11,568	65,227
	<b>2,384,286</b>	<b>198,402</b>	<b>483,438</b>	<b>3,066,126</b>	<b>2,047,634</b>

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**7. Charitable activities**

	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
<b>Direct costs - educational operations</b>		
Wages and salaries	1,737,094	1,134,163
National insurance	130,400	85,934
Pension cost	277,205	178,854
Educational supplies	63,800	37,987
Staff development	9,330	8,265
Pupil transport	6,764	4,778
Educational trips	110,436	68,975
	<u>2,335,029</u>	<u>1,518,956</u>
<b>Support costs - educational operations</b>		
Wages and salaries	203,380	131,691
National insurance	8,535	6,677
Pension cost	27,672	17,339
Depreciation	32,005	10,002
LGPS finance cost	28,000	18,000
Professional services	47,505	60,566
Recruitment and support	3,344	3,561
Maintenance of premises and equipment	69,628	62,306
Cleaning	61,363	38,771
Printing, stationery and postage	10,752	6,138
Rates	18,954	7,173
Water rates	6,626	4,793
Energy	44,707	36,565
Insurance	89,101	42,602
Technology	4,300	2,679
Other support costs	45,163	2,010
Catering	16,357	12,003
	<u>717,392</u>	<u>462,876</u>
	<u><u>3,052,421</u></u>	<u><u>1,981,832</u></u>

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**8. Governance costs**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	-	5,975	5,975	5,750
Auditors' non audit costs	-	2,300	2,300	750
Legal and professional fees	-	3,000	3,000	57,477
Other governance costs	-	293	293	1,250
	-	11,568	11,568	65,227

**9. Net incoming resources**

This is stated after charging:

	31 August 2014 £	8 months ended 31 August 2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	32,005	10,002
Auditors' remuneration	5,975	5,750
Auditor's remuneration - non-audit	2,300	750
Operating leases	8,670	5,472

**10. Staff**

**a. Staff costs**

Staff costs were as follows:

	31 August 2014 £	8 months ended 31 August 2013 £
Wages and salaries	1,903,971	1,266,430
Social security costs	138,935	92,611
Other pension costs (Note 23)	304,877	196,192
	2,347,783	1,555,233
Supply teacher costs	36,502	-
	2,384,285	1,555,233

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**10. Staff (continued)**

**b. Staff numbers**

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

	<b>31 August 2014 No.</b>	<b>8 months ended 31 August 2013 No.</b>
Teaching	31	30
Support staff	25	26
Management	6	6
	<u>62</u>	<u>62</u>

**c. Higher paid staff**

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

	<b>31 August 2014 No.</b>	<b>8 months ended 31 August 2013 No.</b>
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

The above employee participated in the Teacher's Pension Scheme (TPS). During the year ended 31 August 2014, pension contributions for this member of staff amounted to £10,361 (8 months ended 31 August 2013 - £6,673).

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

---

**11. Trustees' remuneration and expenses**

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, from the academy in respect of their role as trustees. The value of trustees' remuneration (including employer pension contributions) was as follows:

	<b>Year ended 31 August 2014 £</b>	<b>8 months ended 31 August 2013 £</b>
Mrs E Clarke, Principal	<b>85,000-90,000</b>	50,000-55,000
Mrs P Handforth, Staff Trustee	<b>45,000-50,000</b>	30,000-35,000
Mr C Abell, Staff Trustee	<b>45,000-50,000</b>	25,000-30,000
Mrs M Collier, Staff Trustee	<b>20,000-25,000</b>	10,000-15,000

During the year, no Trustees received any benefits in kind (2013 - £NIL).

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

**12. Trustees' and officers' insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £905 (2013 - £542). The cost of this insurance is included in the total insurance cost.

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**13. Tangible fixed assets**

	Leasehold land £	Leasehold building improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2013	1,152,977	-	55,800	12,697	1,221,474
Additions	-	3,170	19,531	52,499	75,200
At 31 August 2014	1,152,977	3,170	75,331	65,196	1,296,674
<b>Depreciation</b>					
At 1 September 2013	-	-	7,180	2,822	10,002
Charge for the year	9,224	26	12,418	10,337	32,005
At 31 August 2014	9,224	26	19,598	13,159	42,007
<b>Net book value</b>					
At 31 August 2014	1,143,753	3,144	55,733	52,037	1,254,667
At 31 August 2013	1,152,977	-	48,620	9,875	1,211,472

On the transfer date of 1 January 2013, the academy was gifted the school playing fields by Staffordshire County Council on a 125 year lease. The playing fields value is based upon the desktop valuation provided by the Education Funding Agency (EFA) under the depreciated replacement cost for specialised assets as set out in Financial Reporting Standard (FRS) 15. The valuation was carried out by a firm of professional valuers and was commissioned by the EFA as part of a wider review of Academy building valuations. The playing fields have been credited as a donation to the Restricted Fixed Asset Funds column of the Statement of financial activities and included within tangible fixed assets on the balance sheet. The governors consider that this is a reasonable basis for inclusion in the financial statements.

**14. Debtors**

	2014 £	2013 £
Trade debtors	1,089	-
Other debtors	486	636
Prepayments and accrued income	58,505	40,760
VAT recoverable	82,014	11,784
	<u>142,094</u>	<u>53,180</u>

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**15. Creditors:**  
**Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>149,534</b>	22,911
EFA creditor: abatement of GAG	-	32,346
Other taxation and social security	<b>40,003</b>	40,944
Other creditors	<b>36,565</b>	35,704
Accruals and deferred income	<b>68,075</b>	75,852
	<u><b>294,177</b></u>	<u><b>207,757</b></u>

**Deferred income**

Deferred income at 1 September 2013	<b>22,995</b>
Resources deferred during the year	<b>37,088</b>
Amounts released from previous years	<b>(22,995)</b>
Deferred income at 31 August 2014	<u><b>37,088</b></u>

At the balance sheet date the academy was holding funds relating to grants for the 2014/15 academic year and trips taking place during the 2014/15 academic year.

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**16. Statement of funds**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
<b>Unrestricted funds</b>						
General Fund	<b>240,853</b>	<b>75,449</b>	<b>(12,445)</b>	<b>(6,921)</b>	<b>-</b>	<b>296,936</b>
<b>Restricted funds</b>						
General Annual Grant (GAG)	<b>133,407</b>	<b>2,823,259</b>	<b>(2,729,591)</b>	<b>(59,928)</b>	<b>-</b>	<b>167,147</b>
Educational Trips	<b>42,092</b>	<b>95,837</b>	<b>(97,539)</b>	<b>-</b>	<b>-</b>	<b>40,390</b>
Pupil Premium	<b>-</b>	<b>112,382</b>	<b>(84,475)</b>	<b>-</b>	<b>-</b>	<b>27,907</b>
PE Teaching Grant	<b>-</b>	<b>9,740</b>	<b>(2,247)</b>	<b>(3,790)</b>	<b>-</b>	<b>3,703</b>
Y7 Catch up Grant	<b>-</b>	<b>21,500</b>	<b>(1,555)</b>	<b>-</b>	<b>-</b>	<b>19,945</b>
Special Educational Needs	<b>-</b>	<b>33,366</b>	<b>(33,366)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Learning Resources	<b>-</b>	<b>3,834</b>	<b>(3,834)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other restricted income	<b>-</b>	<b>15,110</b>	<b>(14,069)</b>	<b>-</b>	<b>-</b>	<b>1,041</b>
Pension reserve	<b>(770,000)</b>	<b>-</b>	<b>(55,000)</b>	<b>-</b>	<b>(311,000)</b>	<b>(1,136,000)</b>
	<b>(594,501)</b>	<b>3,115,028</b>	<b>(3,021,676)</b>	<b>(63,718)</b>	<b>(311,000)</b>	<b>(875,867)</b>
<b>Restricted fixed asset funds</b>						
Transfer from legacy school	<b>1,209,522</b>	<b>-</b>	<b>(24,595)</b>	<b>-</b>	<b>-</b>	<b>1,184,927</b>
Capital expenditure from GAG and other DfE revenue grants	<b>1,950</b>	<b>-</b>	<b>(7,384)</b>	<b>70,639</b>	<b>-</b>	<b>65,205</b>
DfE/EFA capital grants	<b>-</b>	<b>22,840</b>	<b>(26)</b>	<b>-</b>	<b>-</b>	<b>22,814</b>
	<b>1,211,472</b>	<b>22,840</b>	<b>(32,005)</b>	<b>70,639</b>	<b>-</b>	<b>1,272,946</b>
Total restricted funds	<b>616,971</b>	<b>3,137,868</b>	<b>(3,053,681)</b>	<b>6,921</b>	<b>(311,000)</b>	<b>397,079</b>
Total of funds	<b>857,824</b>	<b>3,213,317</b>	<b>(3,066,126)</b>	<b>-</b>	<b>(311,000)</b>	<b>694,015</b>

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**16. Statement of funds (continued)**

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

**Unrestricted Funds**

This fund represents those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors.

**Restricted Funds**

This fund represents grants received for the Academy's operational activities and development, restricted music income and income for the secondment of a teacher to another school.

**Pension reserve**

This fund represents the academy's share of the pension liability arising on the LGPS pension fund.

**Restricted Fixed Asset Fund**

This fund relates to the donation of the leasehold playing fields from the local authority on a 125 year lease, other fixed assets donated on conversion and a small amount of capital expenditure from GAG.

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

**Summary of funds**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
Unrestricted funds	240,853	75,449	(12,445)	(6,921)	-	296,936
Restricted funds	(594,501)	3,115,028	(3,021,676)	(63,718)	(311,000)	(875,867)
Restricted fixed asset funds	1,211,472	22,840	(32,005)	70,639	-	1,272,946
	<u>857,824</u>	<u>3,213,317</u>	<u>(3,066,126)</u>	<u>-</u>	<u>(311,000)</u>	<u>694,015</u>

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**17. Analysis of net assets between funds**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	1,254,666	1,254,666	1,211,472
Current assets	296,936	554,308	18,280	869,524	624,110
Creditors due within one year	-	(294,175)	-	(294,175)	(207,758)
Pension liability	-	(1,136,000)	-	(1,136,000)	(770,000)
	<u>296,936</u>	<u>(875,867)</u>	<u>1,272,946</u>	<u>694,015</u>	<u>857,824</u>

**18. Net cash flow from operations**

	31 August 2014 £	8 months ended 31 August 2013 £
Net income	147,191	921,824
Returns on investments and servicing of finance	(766)	(283)
Non cash LGPS deficit transferred on conversion to academy trust	-	678,000
Non cash donation of tangible fixed assets	-	(1,219,524)
Depreciation of tangible fixed assets	32,005	10,002
Cash transferred on conversion to academy trust	-	(306,035)
Increase in debtors	(88,914)	(53,180)
Increase in creditors	86,420	207,757
Capital grants from EFA	(22,840)	-
FRS 17 adjustments	55,000	28,000
<b>Net cash inflow from operations</b>	<u>208,096</u>	<u>266,561</u>

**19. Analysis of cash flows for headings netted in cash flow statement**

	31 August 2014 £	8 months ended 31 August 2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>766</u>	<u>283</u>

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**19. Analysis of cash flows for headings netted in cash flow statement (continued)**

	<b>31 August 2014 £</b>	<b>8 months ended 31 August 2013 £</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<b>(75,200)</b>	<b>(1,950)</b>
Capital grants from EFA	<b>22,840</b>	
<b>Net cash outflow capital expenditure</b>	<b>(52,360)</b>	<b>(1,950)</b>
	<b>31 August 2014 £</b>	<b>8 months ended 31 August 2013 £</b>
<b>Cash transferred on conversion to an academy trust</b>		
Local Authority	-	231,889
School fund	-	69,608
Diocese	-	4,538
<b>Net cash transferred on conversion to an academy trust</b>	<b>-</b>	<b>306,035</b>

**20. Analysis of changes in net funds**

	<b>1 September 2013 £</b>	<b>Cash flow £</b>	<b>Other non-cash changes £</b>	<b>31 August 2014 £</b>
Cash at bank and in hand:	<b>570,929</b>	<b>156,502</b>	-	<b>727,431</b>
<b>Net funds</b>	<b>570,929</b>	<b>156,502</b>	-	<b>727,431</b>

**21. Major non-cash transactions**

During the prior year, the Academy received donated fixed assets totaling £1,219,524 and a pension deficit of £678,000. These had no cash effect.

**22. Capital commitments**

At 31 August 2014 the academy had capital commitments as follows:

	<b>2014 £</b>	<b>2013 £</b>
Contracted for but not provided in these financial statements	-	746

## **23. Pension commitments**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £36,565 were payable to the scheme at 31 August 2014 (2013 - £35,589) and are included within creditors.

### **Teachers' Pension Scheme**

#### **Introduction**

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

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

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

#### **Valuation of the Teachers' Pension Scheme**

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

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

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

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

**23. Pension commitments (continued)**

**Teachers' Pension Scheme Changes**

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

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

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

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

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £101,000, of which employer's contributions totalled £76,000 and employees' contributions totalled £25,000. The agreed contribution rates for future years are 19.2% for employers and 5.5% - 7.5% for employees.

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

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**23. Pension commitments (continued)**

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

	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £</b>	<b>Expected return at 31 August 2013 %</b>	<b>Fair value at 31 August 2013 £</b>
Equities	6.30	418,000	6.60	380,000
Bonds	3.40	72,000	4.00	59,000
Property	4.50	44,000	4.70	39,000
Cash	3.30	17,000	3.60	15,000
Total market value of assets		<u>551,000</u>		<u>493,000</u>
Present value of scheme liabilities		<u>(1,687,000)</u>		<u>(1,263,000)</u>
(Deficit)/surplus in the scheme		<u><u>(1,136,000)</u></u>		<u><u>(770,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	<b>31 August 2014 £</b>	<b>8 months ended 31 August 2013 £</b>
Present value of funded obligations	(1,687,000)	(1,263,000)
Fair value of scheme assets	<u>551,000</u>	<u>493,000</u>
Net liability	<u><u>(1,136,000)</u></u>	<u><u>(770,000)</u></u>

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

	<b>31 August 2014 £</b>	<b>8 months ended 31 August 2013 £</b>
Current service cost	(103,000)	(62,000)
Interest on obligation	(61,000)	(33,000)
Expected return on scheme assets	<u>33,000</u>	<u>15,000</u>
Total	<u><u>(131,000)</u></u>	<u><u>(80,000)</u></u>
Actual return on scheme assets	<u><u>69,000</u></u>	<u><u>43,000</u></u>

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**23. Pension commitments (continued)**

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

	<b>31 August 2014 £</b>	<b>8 months ended 31 August 2013 £</b>
Opening defined benefit obligation	1,263,000	1,060,000
Current service cost	103,000	62,000
Interest cost	61,000	33,000
Contributions by scheme participants	25,000	17,000
Actuarial losses	239,000	91,000
Benefits paid	(4,000)	-
	<u>1,687,000</u>	<u>1,263,000</u>
Closing defined benefit obligation	<u>1,687,000</u>	<u>1,263,000</u>

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

	<b>31 August 2014 £</b>	<b>8 months ended 31 August 2013 £</b>
Opening fair value of scheme assets	493,000	382,000
Expected return on assets	33,000	15,000
Actuarial (losses) and gains	(72,000)	27,000
Contributions by employer	76,000	52,000
Contributions by employees	25,000	17,000
Benefits paid	(4,000)	-
	<u>551,000</u>	<u>493,000</u>
	<u>551,000</u>	<u>493,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £375,000 (2013 - loss of £64,000).

The academy expects to contribute £81,000 to its Defined benefit pension scheme in 2015.

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

	<b>2014</b>	<b>2013</b>
Equities	76.00 %	77.00 %
Bonds	13.00 %	12.00 %
Property	8.00 %	8.00 %
Cash	3.00 %	3.00 %

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

**23. Pension commitments (continued)**

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.60 %	6.00 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %
Commutation of pensions to lump sums	75.00 %	75.00 %

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

	2014	2013
Retiring today		
Males	22.1	21.2
Females	24.3	23.4
Retiring in 20 years		
Males	24.3	23.3
Females	26.6	25.6

Experience adjustments for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(1,687,000)	(1,263,000)
Scheme assets	551,000	493,000
Deficit	(1,136,000)	(770,000)
Experience gains on scheme liabilities	(20,000)	-
Experience (losses)/gains on scheme assets	(72,000)	27,000

**24. Operating lease commitments**

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>Expiry date:</b>		
Within 1 year	-	5,508
Between 2 and 5 years	4,311	-

**St Edward's Church Of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2014**

---

**25. 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 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.

**26. Related party transactions**

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees 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. The following related party transaction took place in the period of account.

During the year ended 31 August 2014 the Lichfield Diocesan Board of Education (a member) made recharges at cost for administrative expenses of £2,420 (2013 - £nil).