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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Trustees**

N Sullivan (foundation), Chair<sup>1,2</sup>  
P Clare (foundation), Responsible Officer & Vice chair  
Rev S Wookey incumbent, ex-officio<sup>2</sup>  
J Hamilton-Jones (parent)  
P Knight (parent) (resigned 9 July 2013)  
A Whitworth (staff)  
D Faulkner (foundation)  
E Royle (foundation) (resigned 31 August 2014)  
K Seaward (foundation)<sup>1</sup>  
K Krais (foundation) (resigned 30 September 2014)  
P Silcock (foundation) (resigned 30 September 2013)  
Y Webster (foundation)<sup>1</sup>  
B Townend-Jowitt (staff)  
S Williams (parent)  
F Heming, Head Teacher & Accounting Officer  
C Nicholls (foundation) (appointed 12 December 2013)  
G Yeomans (parent) (appointed 18 November 2013)  
C Hood (staff) (appointed 10 October 2013)

<sup>1</sup> Finance and audit committee

<sup>2</sup> Member

**Company registered number**

8322707

**Principal and registered office**

East Street, Moreton in Marsh, GL56 0LQ

**Company secretary**

T Maull

**Head teacher**

F Heming

**Senior management team**

F Heming, Head Teacher  
B Townend, Deputy Head  
E Bugden, KS1 Leader  
S Green, KS2 Leader  
N Hazleton, SEND  
J Gregory, Finance Officer

**Independent auditors**

Randall & Payne LLP, Chargrove House, Shurdington Road, Shurdington, Cheltenham, Gloucestershire, GL51 4GA

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Administrative details (continued)**

**Bankers**

Lloyds Bank PLC, Moreton in Marsh, Gloucestershire, GL56 0AY

**Solicitors**

Lee Bolton Monier Williams, 1 The Sanctuary, Westminster, London, SW1 3JT

**Non Trustee Member**

M Payne

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of St David's Church of England Primary Academy (the academy) for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report, and a director's report under company law.

The trust operates an academy for pupils aged 4 to 11 in and around Moreton-in Marsh, Gloucestershire. It has a pupil capacity of 315 and a role of 275 in the school census on 15th May 2014.

**Structure, governance and management**

**a. CONSTITUTION**

The academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy.

The trustees of St David's Church of England Primary Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as St David's C of E Primary Academy.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on pages 1 and 2.

There have been no changes in the objectives since the last annual report.

**b. 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.

**c. GOVERNORS' INDEMNITIES**

Since the incorporation of the Charitable Company on 1st January 2013 the Governors (directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in the Financial Statements the limit of this indemnity is £10,000,000.

**d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS**

The Members of the Academy are The Diocese of Gloucester Education Trust and up to 2 persons who may be appointed by the Diocese of Gloucester Education Trust.

**Foundation Governors :** The Members appoint a minimum of ten Governors at least nine of whom are nominated by the Parochial Church Council of Moreton in Marsh and one is the incumbent as an ex officio governor.

**Staff Governors :** The Members appoint up to three Staff Governors who are elected by staff at the Academy. If a staff post becomes vacant the normal process of election takes place after due notice is given to all staff through the school communication channels. The Head teacher is, for all purposes, an ex officio Governor.

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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Parent Governors : Three Parent Governors are elected by parents of registered pupils at the Academy. Where a vacancy for a Parent Governor occurs the Governing Body ensures the normal process of election takes place after due notice is given to all parents through the school communication channels. Before confirming selection all governors are subject to an enhanced DBS check.

**e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS**

Following their appointment/election all new Governors receive an introduction to their role from the Chairman and are assigned a mentor. All new Governors are actively encouraged to take advantage of available courses so as to gain a better understanding of the role and responsibilities of being a School Governor. Additionally Governors with specific roles within the Governing Body are strongly encouraged to undertake specific training. The cost of such training will be reimbursed by the Academy.

**f. ORGANISATIONAL STRUCTURE**

Before conversion to academy status on 1 January 2013 St David's Church of England Primary was a Voluntary Aided Church of England school. The relative autonomy of a VA school meant that the former Governing Body was structured to undertake similar roles to those required of the governors of an academy. Consequently, whilst the extra responsibilities of the governing body of the Academy Trust have been recognised, its structure still reflects its successful predecessor.

The trustees are responsible for:

- setting the vision, Christian ethos and objectives for the Academy
- approving strategic plans and monitoring and evaluating the performance of the Academy against these plans and objectives
- approving the annual budget and ensuring the solvency of the Academy
- ensuring that appropriate arrangements are in place to enable the Academy to meet statutory responsibilities
- provide support and challenge to the leadership team of the Academy

At St David's the majority of the roles and responsibilities of the Trustees have been delegated to a small number of committees, - Strategy committee, Finance and Audit, Ethos, Learning and Development and Resources committee. Operational management is the responsibility of the Head teacher and members of the Senior Leadership Team (SLT).

The SLT is responsible to the Trustees for the implementation and monitoring of plans and policies, student safeguarding and education and the day-to-day operation of the Academy. They also provide advice to Trustees on a range of educational and business management functions. School policies are developed by senior members of the School's staff, to reflect both the strategic direction agreed by the Trustees and also statutory requirements. These policies are approved and adopted by the Governing Body, and implemented as procedures and systems by the SLT and other designated members of staff.

The Trustees have approved a scheme that allows financial responsibilities to be delegated, within limits, to facilitate effective running of the Academy.

**g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

St David's Church of England Academy formed a trading company with Bourton on the Water Primary Academy, known as the Fosseway Academy Collaboration Trust (FACT), Company Number 8517050, but this company is not currently active.

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Objectives and Activities**

**a. OBJECTS AND AIMS**

The principal object and activity of the Academy is to provide education for pupils between the ages of 4 and 11 in accordance with the school motto and our Christian values.

Our school motto is 'enquiring minds, caring hearts, creative hands', which is at the heart of everything we do. Children attending the school will become life-long learners who are curious about the world around them and are creative in their exploits while caring for others and themselves.

Our school motto is supported by our Christian values. Our core values of compassion, perseverance and respect are taught alongside the values of courage, forgiveness, friendship, hope, justice, service, thankfulness, trust and truthfulness. The school motto, combined with the Christian values, will provide a strong basis from which the children will develop into responsible, thoughtful, active members of society.

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

Before conversion to an Academy, St David's was a Voluntary Aided church school. The Governing Body determined to maintain the Christian ethos, values, standards and achievements of the School. Our core values of compassion, respect and perseverance underpin all activities. We believe that education, strengthened by our Christian values, provides the best possible way for children to achieve their full potential.

The Academy continues to work to fulfil the School's medium and longer term development plans as set out in the School Development Plan 2013/2014 and the objectives set by Ofsted in November 2012.

The main focus of the school development plan in 2013/14 was:

1. To develop a curriculum which fosters a love of learning and promotes high attainment and progress for all children.
2. Encourage children to enjoy an active healthy lifestyle which supports their physical and mental well-being.
3. To ensure the accommodation and physical resources available to support children's learning and development are of the highest standard within the constraints of the budget.

The objectives set by Ofsted in November 2012 were:

1. Improve attainment in mathematics.
2. Ensure that more teaching becomes outstanding.

To achieve these objectives we have a comprehensive staff performance management review cycle which is closely linked to professional development programmes which are effective and relevant. We use data to constantly measure pupil progress, which subsequently informs our actions and interventions. Our target setting systems are robust and monitored by senior staff and governors. We maintain close links with parents and carers who form part of the educational 'triangle' to ensure children are well supported, academically, emotionally, physically and socially.

**c. PUBLIC BENEFIT**

The Governors have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by St David's Church of England Primary is the maintenance and development of the high quality education provided by the School, to the children of Moreton in Marsh and the surrounding parishes. In doing this St David's not only offers a broadly-based academic education with a strong Christian ethos, but aims to educate the whole individual.

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

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Four local schools, working as part of the Fosseyway Academy Collaborative Trust, have been working together to share expertise and experience as widely as possible. Staff benefit from cross teaching and training; they collaborate to share ideas and raise standards of teaching and learning. The Academy has established strong working relationships with other schools and colleges. Placements are offered to university students and work experience to secondary schools pupils.

The Family Support Worker has organised a number of workshops alongside Adult Education for parents and carers as well as giving valuable help to individual families needing support. The school premises are used for holiday clubs, while breakfast and after school clubs operate in term time. Coffee mornings have been held where parents can access support from school, the school nurse and the parent support advisor.

Musicians from the Academy are actively involved in the community, playing at local fêtes and residential homes in Moreton.

A wide-range of extra-curricular activities, including clubs, educational trips and visits, is offered to enhance and support the curriculum. Children have taken part in music, sport and maths events and local secondary academies. Our Year 6 pupils took part in a 'dragons' den' challenge which resulted in their bread recipe being made by the local supermarket and being sold at the summer fair.

#### **Achievements and performance**

Governors have high expectations for the pupils and work together with the Head and Staff to raise standards, always questioning the strategies in place for improvement together with supporting appropriate action taken to this end. The Academy's analysis of progress and performance is very thorough and much use is made of performance and benchmarking data from a range of sources.

| EYFS attainment data  | EYFS progress data   |
|---|--|
| EYFS data exceeds national data (using 2013 figures) in all areas except writing.<br>The standards of attainment of all groups of pupils are above national averages in 16 out of the 17 areas, which would be considered outstanding in Ofsted terms.<br>The learning of groups of pupils, including those who entered school below or significantly below the expected attainment level, is consistently good or better.<br>Interventions will need to be in place in September to ensure the pupils who are not attaining the appropriate level in writing make rapid progress to catch up with their peers. | 43% of children entered school in September below the expected level but by the end of the year 87% of children met or exceeded the Early Learning Goals (ELGs).<br>Of the children entering school below the expected level, 82% made rapid progress in reading, 37% made rapid progress in writing and 62% made rapid progress in maths, therefore closing the attainment gap between this group and their peers.<br>Just over half of the cohort were below the expected level in reading when they entered school, but by the end of the year 86% of children met or exceeded the required standard.<br>59% of the cohort made rapid progress in reading, with 71% of boys achieving this.<br>54% of children started school not managing their feelings and behaviour at age related expectations. However due to excellent interventions, including using the Parent Support Advisor, 89% of children now meet the required standard in this area. |



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

|        | Subject area                | Cumulative APS<br>(progress rates) | Progress measure                                | Additional information   |
|--------|-----------------------------|------------------------------------|---|--|
| Year 1 | Reading<br>Writing<br>Maths | 6.5<br>5.3<br>5.7                  | <4.0 slow progress<br>>4.5 accelerated progress | The cohort overall made accelerated progress in reading, writing and maths.<br>Pupil premium pupils have made accelerated progress in reading and writing.<br>Pupils receiving support from the PSA have made accelerated progress in reading, writing and maths.<br>Mobility group have performed well, making accelerated progress in reading, writing and maths.<br>Those pupils deemed high or middle ability on entry to Y1 have made accelerated progress in reading, writing and maths.   |
| Year 2 | Reading<br>Writing<br>Maths | 11.3<br>8.8<br>9.4                 | <8.0 slow progress<br>>9.0 accelerated progress | The cohort made accelerated progress in reading and maths throughout KS1.<br>Girls eligible for pupil premium have made accelerated progress in reading and maths throughout KS1.<br>Those children eligible for free school meals have made typical progress in reading and maths.<br>Mobility group have performed well, making accelerated progress in reading and maths.<br>Those pupils deemed high or middle ability on entry to Y1 have made accelerated progress in reading, writing and maths over the course of KS1.<br>Attainment of 2B+ is above national and county figures in reading, writing and maths.<br>Attainment in reading at Level 3 is 34%, compared to 28%/29% national/county results. |
| Year 3 | Reading<br>Writing<br>Maths | 4.6<br>3.8<br>3.8                  | <3.0 slow progress<br>>3.5 accelerated progress | The cohort made accelerated progress in reading, writing and maths.<br>All groups have made accelerated progress except for those whose prior ability is deemed high.  |
| Year 4 | Reading<br>Writing<br>Maths | 7.5<br>5.9<br>6.2                  | <6.0 slow progress<br>>7.0 accelerated progress | The cohort have made excellent progress in reading and all groups, apart from boys in receipt of free school meals, are at or exceeding the appropriate rate of progress at the end of Year 4.<br>Boys with SEND and those children deemed to be low ability upon entering KS2 have made rapid progress in writing.  |

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

|        |                             |                      |   |  |
|--------|-----------------------------|----------------------|---|--|
| Year 5 | Reading<br>Writing<br>Maths | 11.8<br>11.1<br>10.5 | <10.0 slow progress<br>>11.0 accelerated progress | The cohort are at or exceeding the progress rates expected at the end of Year 5, putting them in a good position as they begin Year 6.<br>This year SEND pupils have made accelerated progress in reading as have boys eligible for pupil premium.<br>100% of girls are at or above the expected attainment level in reading.  |
| Year 6 | Reading<br>Writing<br>Maths | 12.3<br>13.2<br>13.4 | <12.0 slow progress<br>>14.0 accelerated progress | Overall pupils made expected progress in maths and accelerated progress in reading and writing.<br>Progress levels for reading and writing exceed national data and school data is in line with national data for maths.<br>Pupils eligible for free school meals and pupil premium made expected progress in maths and accelerated progress in reading and writing.<br>Boys made more progress than girls in reading and writing and this progress was accelerated.<br>Pupils' attainment in reading is comparable with national data (1% above). |

In statutory assessments at the end of Key Stage 1, 87% of pupils attained 2B or above in reading, 70 % of pupils achieved 2B or above in writing and 85% of children achieved level 2B or above in maths, all of which are above national and county statistics (based on 2013 comparative statistical data).

In statutory assessments at the end of Key Stage 2, 84% of children achieved L4 or above in reading and writing and 78% achieved L4 or above in maths. Progress levels for reading and writing exceed national data and school data is in line with national data for maths. Pupils eligible for pupil premium made expected progress in maths and accelerated progress in reading and writing, which reflects the data for the rest of the cohort.

Teaching in school is at least good with 50% of lessons graded outstanding and 100% of lessons good or better.

Mobility is a significant factor in judging pupils' achievement with above average movement into the school. The children in the mobility groups in Years 1 to 3 are achieving in line with their peers, but this is more variable in Years 4 to 6. Support is in place for these pupils as their progress rates are tracked carefully.

Another achievement which we are proud to include is the building of a school kitchen which has ensured the school can cope with the increased demand for hot school meals due to the Government's Infant Free School Meal initiative. This will also support our aim to improve the health and well-being of children at St. David's C of E Academy.

We are also particularly pleased with the work we have carried out on developing the school ethos, motto and values which make our school distinctly Christian.

The school is well prepared for the changes to the National Curriculum which come into force in September 2014 with long and medium term plans in place.

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**a. GOING CONCERN**

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

**b. KEY FINANCIAL PERFORMANCE INDICATORS AND KEY PERFORMANCE INDICATORS**

The main financial performance indicator is the level of reserves held at balance sheet date. This is carefully managed so that appropriate funding is spent on pupils attending the Academy in the current year while balancing the need to carry forward contingency funding in line with the Reserves Policy.

As funding is based on pupil numbers this is also a key financial performance indicator. The Academy is in demand, pupil numbers are increasing and we anticipate the school will continue to grow as the town expands due to planning permission being granted for a large number of new houses.

A key academic performance indicator is our progress towards Ofsted actions.

Action 1: Although teaching is consistently good, not enough lessons are outstanding.

During the inspection 29% of lessons were graded as outstanding, this figure now consistently stands at 50%, while further lessons are good with outstanding features.

Action 2: Mathematics, although good in Key Stage 1, is not as good as in Key Stage 2

When reviewing the progress the Junior classes have made since KS1 each year group is making accelerated progress. (Data below is from July 2014)

- Year 3 = 3.8 APS over three terms
- Year 4 = 6.2 APS over six terms
- Year 5 = 10.5 APS over nine terms
- Year 6 = 13.4 APS over twelve terms

Adequate progress would be 1 APS per term – for progress to be solidly good, we are aiming for 14 points between KS1 and KS2. If each year group continues to progress at current rates, Years 3 and 5 will all make at least 14 points. (Year 4 is receiving further intervention).

**Key Financial Performance Indicators**

The Academy uses the following key financial performance indicators in order to benchmark itself against other Academy converters:

| 2013/14  |                  |
|--|------------------|
| Income   |                  |
| Total GAG per pupil (excluding ESG, PP)  | £2,940 per pupil |
| Total Income (including GAG, ESG, PP, rental, other income unrestricted, sale of equipment, bank interest) | £918,891         |
| GAG to total income  | 89%              |

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

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|   |                  |
|---|------------------|
| Staff costs                               |                  |
| Total staff cost per pupil inc PSA/SENDco | £2,817 per pupil |
| Ratio staff costs to total income         | 85%              |
| Teachers and pupils                       |                  |
| Pupil to teacher ratio                    | 20:1             |

**Financial review**

Most of the Academy's income is obtained from the Education Funding Authority (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period 1st September 2013 to 31st August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also successfully bid for Capital Maintenance funds 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 period 1st Sept 2013 to 31st Aug 2014, total recurrent expenditure of £996,000 was covered by recurrent grant funding from the EFA together with other income resources. The excess of income over expenditure for the accounting period (excluding restricted fixed asset funds), was £42,000.

At 31st Aug 2014 the net book value of fixed assets was £2,837,000, with movements in tangible fixed assets shown in the financial statements. The assets were used for providing education and associated support services to the pupils of the Academy.

**a. PRINCIPAL RISKS AND UNCERTAINTIES**

Since its incorporation the Academy has undertaken work to develop and embed the system of internal control including financial, operational and risk management which is designated to protect the Academy's assets and reputation. Exposure to risks is considered on a regular basis by management and the Governors. The decision to appoint an external Responsible Officer has been discussed by the Finance and Audit committee, and is currently looking at the option.

**Risk Management**

The Finance and Audit Committee undertakes a comprehensive review of the risks to which the Academy is exposed. A risk register is established which is reviewed, at least annually by the board of governors and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

- Government funding
- Exposure to pension fund deficit
- Litigation against the Academy

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

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**Financial and Risk Management Objectives and Policies**

With regards to the LGPS pension deficit, the Trustees are placing reliance on the scheme's actuaries and investment fund managers to mitigate this risk by investing the scheme's assets appropriately to reduce the burden of future cashflows.

**b. RESERVES POLICY**

The governors review the reserve levels of the Academy annually. This scrutiny encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The governors have determined that the appropriate level of free reserves should be 1% of the budget, approximately £12,000. 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 reserves is considered low/adequate. The academy intends to continue building up these reserves, with prudent budgeting, over the next few years.

Projected deficits on the Local Government Pension Scheme (LGPS) that provide for our support staff, are charged to a specific restricted reserve. As at 31st Aug 2014 the deficit on this reserve amounted to £235,000. This does not present the academy with a current liquidity problem. Contributions to the pension scheme are being increased over the next few years in order to reduce the deficit and the situation will be monitored annually.

**c. INVESTMENT POLICY**

The Governing Body has delegated authority to the Finance Officer to utilise the term deposit arrangements with Lloyds Bank in order that interest receipts are maximised in a low risk investment.

**Plans for future periods**

**a. PLANS FOR FUTURE PERIODS**

Governors are looking at requirements for school buildings as numbers expand in view of two large housing developments planned for the town. A working party has been set up to look at options and funding.

Governors will continue to self assess and to further support and challenge the Academy leaders in order to continue to improve performance.

The Academy plans to build on the excellent results achieved in 2014. Future aims are set out in the School Development Plan 2014/2015, the key objectives of which are:

- To improve writing standards across the school.
- To develop the reading skills of inference and deduction.
- To improve children's mathematical problem solving skills.
- To support and improve children's mental health and emotional resilience.

**FUNDS HELD AS CUSTODIAN**

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

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

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**DISCLOSURE OF INFORMATION TO AUDITORS**

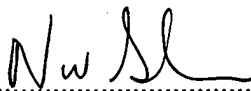
Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

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

**AUDITORS**

The auditors, Randall & Payne LLP, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report was approved by order of the board of trustees on 12 November 2014 and signed on the board's behalf by:



.....  
**N Sullivan**  
**Chair**

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Governors, we acknowledge we have overall responsibility for ensuring that St David's Church of England Primary Academy 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 Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St David's Church of England Primary Academy 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 Governors' report and in the Governors' responsibilities statement. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Governor   | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| N Sullivan (foundation), Chair                         | 3                 | 3                 |
| P Clare (foundation), Responsible Officer & Vice chair | 2                 | 3                 |
| Rev S Wookey incumbent, ex-officio                     | 2                 | 3                 |
| J Hamilton-Jones (parent)                              | 1                 | 3                 |
| A Whitworth (staff)                                    | 2                 | 3                 |
| D Faulkner (foundation)                                | 2                 | 3                 |
| E Royle (foundation)                                   | 2                 | 3                 |
| K Seaward (foundation)                                 | 3                 | 3                 |
| K Krais (foundation)                                   | 3                 | 3                 |
| Y Webster (foundation)                                 | 3                 | 3                 |
| B Townend-Jowitt (staff)                               | 2                 | 3                 |
| S Williams (parent)                                    | 2                 | 3                 |
| F Hemming, Head Teacher & Accounting Officer           | 3                 | 3                 |
| C Nicholls (foundation)                                | 3                 | 3                 |
| G Yeomans (parent)                                     | 3                 | 3                 |
| C Hood (staff)   | 3                 | 3                 |

**Governance reviews:**

No formal external review has taken place however Governors will be participating in the Diocese of Gloucestershire review of Governors.

The Finance and Audit Committee is a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

|                                | Meetings attended | Out of a possible |
|--------------------------------|-------------------|-------------------|
| K Seaward (foundation)         | 7                 | 7                 |
| N Sullivan (foundation), Chair | 6                 | 7                 |
| Y Webster (foundation)         | 7                 | 7                 |

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**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 David's Church of England Primary Academy for the year ended 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 ended 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 and Audit 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 not to appoint an internal auditor. However, the Governors have appointed P Clare, a Governor, as Responsible Officer (RO) but are considering the option of appointing an external Responsible Officer.

**REVIEW OF EFFECTIVENESS**

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

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



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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A company limited by guarantee)**

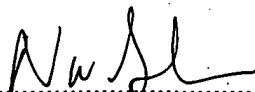
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**GOVERNANCE STATEMENT (continued)**

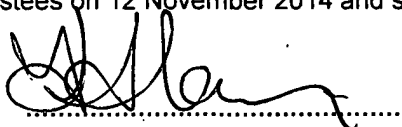
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The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 November 2014 and signed on its behalf, by:



.....  
**N Sullivan**  
**Chair of Trustees**



.....  
**F Heming**  
**Accounting Officer**

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A company limited by guarantee)**

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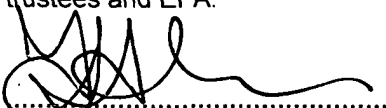
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of St David's Church of England Primary Academy 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.



**F Heming**  
**Accounting Officer**

Date: 12 November 2014

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 12 November 2014 and signed on its behalf by:



**N Sullivan**  
**Chair of Trustees**

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**

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We have audited the financial statements of St David's Church of England Primary Academy 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 GOVERNORS AND AUDITORS**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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 Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' 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.

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the academy has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to take advantage of the 'small companies' exemption from the requirement to prepare a Strategic report.

  
Robert Stokes FCCA (Senior Statutory Auditor)  
for and on behalf of  
**Randall & Payne LLP**

Chartered Accountants and Statutory Auditors

Chargrove House  
Shurdington Road  
Shurdington  
Cheltenham  
Gloucestershire  
GL51 4GA  
16 December 2014

Randall & Payne LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST DAVID'S  
CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 14 May 2013 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 David's Church of England Primary Academy 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 David's Church of England Primary Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St David's Church of England Primary Academy 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 David's Church of England Primary Academy and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY'S  
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of St David's Church of England Primary Academy's funding agreement with the Secretary of State for Education dated 19 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.

The work undertaken during the audit included:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST DAVID'S  
CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

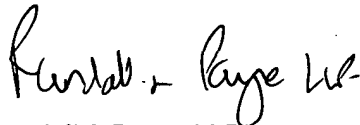
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- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity;
- Discussions with and representations from the Accounting Officer and other Key management personnel;
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

**CONCLUSION**

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

The Governors have appointed a Responsible Officer, however there have been no visits undertaken during the year and therefore no reports to Governors. There has been an informal peer to peer review undertaken but again there have been no reports on any findings to the Finance and Audit Committee. As a consequence the sample size that has been reviewed for this report has been lower based purely around the sample size calculated for the Statutory Audit. The Governors have taken steps to deal with the lack of reporting and compliance with the EFA guidance and are evaluating external options.



**Randall & Payne LLP**

Chartered Accountants and Registered Auditors

Chargrove House  
Shurdington Road  
Shurdington  
Cheltenham  
Gloucestershire  
GL51 4GA

16 December 2014

**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
(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<br>funds<br>2014<br>£000 | Restricted<br>funds<br>2014<br>£000 | Restricted<br>fixed asset<br>funds<br>2014<br>£000 | Total<br>funds<br>2014<br>£000 | Total<br>funds<br>2013<br>£000 |
|--|------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| <b>INCOMING RESOURCES</b>                      |      |                                       |                                     |  |                                |                                |
| Incoming resources from generated funds:       |      |                                       |                                     |  |                                |                                |
| Voluntary income                               | 2    | 1                                     | 32                                  | -  | 33                             | 2,652                          |
| Activities for generating funds                | 3,4  | 53                                    | 29                                  | -  | 82                             | 38                             |
| Incoming resources from charitable activities  | 5    | -                                     | 961                                 | 281  | 1,242                          | 722                            |
| Other incoming resources                       | 6    | -                                     | 3                                   | -  | 3                              | 16                             |
| <b>TOTAL INCOMING RESOURCES</b>                |      | <b>54</b>                             | <b>1,025</b>                        | <b>281</b>   | <b>1,360</b>                   | <b>3,428</b>                   |
| <b>RESOURCES EXPENDED</b>                      |      |                                       |                                     |  |                                |                                |
| Costs of generating funds:                     |      |                                       |                                     |  |                                |                                |
| Fundraising expenses and other costs           | 4    | 28                                    | 16                                  | -  | 44                             | 15                             |
| Charitable activities                          |      | 4                                     | 971                                 | 84   | 1,059                          | 754                            |
| Governance costs                               | 8    | -                                     | 9                                   | -  | 9                              | 8                              |
| <b>TOTAL RESOURCES EXPENDED</b>                | 11   | <b>32</b>                             | <b>996</b>                          | <b>84</b>  | <b>1,112</b>                   | <b>777</b>                     |
| <b>NET INCOMING RESOURCES BEFORE TRANSFERS</b> |      | <b>22</b>                             | <b>29</b>                           | <b>197</b>   | <b>248</b>                     | <b>2,651</b>                   |



**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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

|   |      | Unrestricted<br>funds<br>2014<br>£000 | Restricted<br>funds<br>2014<br>£000 | Restricted<br>fixed asset<br>funds<br>2014<br>£000 | Total<br>funds<br>2014<br>£000 | Total<br>funds<br>2013<br>£000 |
|---|------|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
|   | Note |                                       |                                     |  |                                |                                |
| Transfers between Funds   | 22   | (3)                                   | (6)                                 | 9  | -                              | -                              |
| <b>NET INCOME FOR THE YEAR</b>                                      |      | <b>19</b>                             | <b>23</b>                           | <b>206</b>   | <b>248</b>                     | <b>2,651</b>                   |
| Actuarial gains and losses on<br>defined benefit pension<br>schemes |      | -                                     | (65)                                | -  | (65)                           | (14)                           |
| <b>NET MOVEMENT IN FUNDS<br/>FOR THE YEAR</b>                       |      | <b>19</b>                             | <b>(42)</b>                         | <b>206</b>   | <b>183</b>                     | <b>2,637</b>                   |
| <i>Total funds at 1 September<br/>2013</i>                          |      | <i>17</i>                             | <i>(152)</i>                        | <i>2,772</i>                                       | <i>2,637</i>                   | <i>-</i>                       |
| <b>TOTAL FUNDS AT 31<br/>AUGUST 2014</b>                            |      | <b>36</b>                             | <b>(194)</b>                        | <b>2,978</b>                                       | <b>2,820</b>                   | <b>2,637</b>                   |

All activities relate to continuing operations.

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

The notes on pages 27 to 47 form part of these financial statements.

**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 8322707**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2014**

|   | Note | £000         | 2014<br>£000        | £000         | 2013<br>£000        |
|---|------|--------------|---------------------|--------------|---------------------|
| <b>FIXED ASSETS</b>                                   |      |              |                     |              |                     |
| Tangible assets                                       | 19   |              | 2,837               |              | 2,763               |
| <b>CURRENT ASSETS</b>                                 |      |              |                     |              |                     |
| Debtors   | 20   | 198          |                     | 63           |                     |
| Cash at bank  |      | 281          |                     | 133          |                     |
|   |      | <u>479</u>   |                     | <u>196</u>   |                     |
| <b>CREDITORS:</b> amounts falling due within one year | 21   | (261)        |                     | (156)        |                     |
| <b>NET CURRENT ASSETS</b>                             |      |              | <u>218</u>          |              | <u>40</u>           |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      |              | <u>3,055</u>        |              | <u>2,803</u>        |
| Defined benefit pension scheme liability              | 27   |              | (235)               |              | (166)               |
| <b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>  |      |              | <u><u>2,820</u></u> |              | <u><u>2,637</u></u> |
| <b>FUNDS OF THE ACADEMY</b>                           |      |              |                     |              |                     |
| Restricted funds:                                     |      |              |                     |              |                     |
| Restricted funds                                      | 22   | 41           |                     | 14           |                     |
| Restricted fixed asset funds                          | 22   | 2,978        |                     | 2,772        |                     |
|   |      | <u>3,019</u> |                     | <u>2,786</u> |                     |
| Restricted funds excluding pension liability          |      |              |                     |              |                     |
| Pension reserve                                       |      | (235)        |                     | (166)        |                     |
|   |      | <u></u>      |                     | <u></u>      |                     |
| Total restricted funds                                |      |              | 2,784               |              | 2,620               |
| Unrestricted funds                                    | 22   |              | 36                  |              | 17                  |
| <b>TOTAL FUNDS</b>                                    |      |              | <u><u>2,820</u></u> |              | <u><u>2,637</u></u> |

The Governors consider that the academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the academy to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

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

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A company limited by guarantee)**

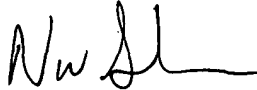
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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2014**

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

**N Sullivan**  
**Chair of Trustees**



**F Heming**  
**Accounting Officer**



The notes on pages 27 to 47 form part of these financial statements.

**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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

|  | Note | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|--|------|-----------------------------------|---|
| Net cash flow from operating activities            | 24   | (9)                               | 95  |
| Capital expenditure and financial investment       | 25   | 157                               | 34  |
| Cash transferred on conversion to an academy trust |      | -                                 | 4   |
| <b>INCREASE IN CASH IN THE YEAR</b>                |      | <b>148</b>                        | <b>133</b>                                |

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

|  | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|--|-----------------------------------|---|
| Increase in cash in the year             | 148                               | 133                                       |
| <b>MOVEMENT IN NET FUNDS IN THE YEAR</b> | <b>148</b>                        | <b>133</b>                                |
| Net funds at 1 September 2013            | 133                               | -   |
| <b>NET FUNDS AT 31 AUGUST 2014</b>       | <b>281</b>                        | <b>133</b>                                |

The notes on pages 27 to 47 form part of these financial statements.

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**ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

**1.2 Fund accounting**

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

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

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

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

**1.3 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.

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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 Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The academy has a funding agreement in place with the Secretary of State for Education which is for 7 years, with a 7 year notice period.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised. Land and buildings have been included at depreciated replacement cost based on the valuation dated 7 August 2013 by Allan Gilbert MRICS from Mouchel, who were commissioned by the EFA.

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.

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**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

|   |   |                   |
|---|---|-------------------|
| L/Term Leasehold buildings and building modifications | - | 2% straight line  |
| Plant and machinery                                   | - | 20% straight line |
| Furniture and equipment                               | - | 10% straight line |
| Computer equipment                                    | - | 33% straight line |

**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 27, 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. VOLUNTARY INCOME**

|                                | Unrestricted<br>funds<br>2014<br>£000 | Restricted<br>funds<br>2014<br>£000 | Total<br>funds<br>2014<br>£000 | Total<br>funds<br>2013<br>£000 |
|--------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Donations                      | 1                                     | 32                                  | 33                             | 31                             |
| Income from predecessor school | -                                     | -                                   | -                              | 2,621                          |
|                                | <u>1</u>                              | <u>32</u>                           | <u>33</u>                      | <u>2,652</u>                   |
| Voluntary income               | <u>1</u>                              | <u>32</u>                           | <u>33</u>                      | <u>2,652</u>                   |

**3. ACTIVITIES FOR GENERATING FUNDS**

|                                     | Unrestricted<br>funds<br>2014<br>£000 | Restricted<br>funds<br>2014<br>£000 | Total<br>funds<br>2014<br>£000 | Total<br>funds<br>2013<br>£000 |
|-------------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Before and After School Club Income | 47                                    | -                                   | 47                             | 19                             |
| Lettings Income                     | 5                                     | -                                   | 5                              | 4                              |
| Swimming Income                     | -                                     | 2                                   | 2                              | 3                              |
| PSA Recharge Income                 | -                                     | 16                                  | 16                             | 6                              |
| Trip Income                         | -                                     | 9                                   | 9                              | 5                              |
| Uniform sales                       | -                                     | 2                                   | 2                              | -                              |
| Other                               | 1                                     | -                                   | 1                              | 1                              |
|                                     | <u>53</u>                             | <u>29</u>                           | <u>82</u>                      | <u>38</u>                      |

**4. TRADING ACTIVITIES**

|   | Unrestricted<br>funds<br>2014<br>£000 | Restricted<br>funds<br>2014<br>£000 | Total<br>funds<br>2014<br>£000 | Total<br>funds<br>2013<br>£000 |
|---|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| <b>Fundraising trading expenses</b>               |                                       |                                     |                                |                                |
| Fundraising trading expenses - wages and salaries | 28                                    | 11                                  | 39                             | 15                             |
| Fundraising trading expenses - NI                 | -                                     | 1                                   | 1                              | -                              |
| Fundraising trading expenses - Pensions           | -                                     | 4                                   | 4                              | -                              |
|   | <u>28</u>                             | <u>16</u>                           | <u>44</u>                      | <u>15</u>                      |
| Net expenditure from trading activities           | <u>(28)</u>                           | <u>(16)</u>                         | <u>(44)</u>                    | <u>(15)</u>                    |



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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

|                        | Unrestricted<br>funds<br>2014<br>£000 | Restricted<br>funds<br>2014<br>£000 | Total<br>funds<br>2014<br>£000 | Total<br>funds<br>2013<br>£000 |
|------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Educational operations | -                                     | 1,242                               | 1,242                          | 722                            |

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

|                               | Unrestricted<br>funds<br>2014<br>£000 | Restricted<br>funds<br>2014<br>£000 | Total<br>funds<br>2014<br>£000 | Total<br>funds<br>2013<br>£000 |
|-------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| <b>DfE/EFA revenue grants</b> |                                       |                                     |                                |                                |
| General Annual Grant (GAG)    | -                                     | 864                                 | 864                            | 547                            |
| Other DfE/EFA grants          | -                                     | 51                                  | 51                             | 87                             |
| Special educational needs     | -                                     | 36                                  | 36                             | 33                             |
| Other income                  | -                                     | 10                                  | 10                             | -                              |
| Capital grants                | -                                     | 281                                 | 281                            | 55                             |
|                               | -                                     | 1,242                               | 1,242                          | 722                            |

**6. OTHER INCOMING RESOURCES**

|                                | Unrestricted<br>funds<br>2014<br>£000 | Restricted<br>funds<br>2014<br>£000 | Total<br>funds<br>2014<br>£000 | Total<br>funds<br>2013<br>£000 |
|--------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Staff absence insurance income | -                                     | 3                                   | 3                              | 16                             |

**7. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

|                               | Unrestricted<br>funds<br>2014<br>£000 | Restricted<br>funds<br>2014<br>£000 | Total<br>funds<br>2014<br>£000 | Total<br>funds<br>2013<br>£000 |
|-------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Educational operations direct | 4                                     | 1,055                               | 1,059                          | 754                            |

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**7. EXPENDITURE BY CHARITABLE ACTIVITY (continued)**

**SUMMARY BY EXPENDITURE TYPE**

|                               | Staff costs<br>2014<br>£000 | Depreciation<br>2014<br>£000 | Other costs<br>2014<br>£000 | Total<br>2014<br>£000 | Total<br>2013<br>£000 |
|-------------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------|-----------------------|
| Educational operations direct | 790                         | 50                           | 219                         | 1,059                 | 754                   |

**8. GOVERNANCE COSTS**

|                                      | Unrestricted<br>funds<br>2014<br>£000 | Restricted<br>funds<br>2014<br>£000 | Total<br>funds<br>2014<br>£000 | Total<br>funds<br>2013<br>£000 |
|--------------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Governance Auditors' remuneration    | -                                     | 5                                   | 5                              | 4                              |
| Governance Auditors' non audit costs | -                                     | 4                                   | 4                              | 1                              |
| Other professional fees              | -                                     | -                                   | -                              | 3                              |
|                                      | -                                     | 9                                   | 9                              | 8                              |

**9. DIRECT COSTS**

|                                       | Basis of<br>Allocation | Educational<br>operations<br>direct<br>£000 | Total<br>2014<br>£000 | Total<br>2013<br>£000 |
|---------------------------------------|------------------------|---|-----------------------|-----------------------|
| Educational supplies                  |                        | 57  | 57                    | 46                    |
| Staff development                     |                        | -   | -                     | 3                     |
| Other costs                           |                        | 29  | 29                    | 21                    |
| Insurance                             |                        | 34  | 34                    | 25                    |
| Maintenance of premises and equipment |                        | 21  | 21                    | 62                    |
| Rent and rates                        |                        | 3   | 3                     | 1                     |
| Catering costs                        |                        | 6   | 6                     | 6                     |
| Legal and professional fees           |                        | -   | -                     | 4                     |
| Wages and salaries                    |                        | 598   | 598                   | 403                   |
| National insurance                    |                        | 35  | 35                    | 26                    |
| Pension cost                          |                        | 89  | 89                    | 62                    |
| Depreciation                          |                        | 50  | 50                    | 27                    |
|                                       |                        | 922   | 922                   | 686                   |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. SUPPORT COSTS**

|                                       | <b>Basis of<br/>Allocation</b> | <b>Educational<br/>operations<br/>direct<br/>£000</b> | <b>Total<br/>2014<br/>£000</b> | <b>Total<br/>2013<br/>£000</b> |
|---------------------------------------|--------------------------------|---|--------------------------------|--------------------------------|
| Pension net cost                      |                                | 6   | 6                              | 4                              |
| Staff development                     |                                | 10  | 10                             | 1                              |
| Other costs                           |                                | 5   | 5                              | 17                             |
| Maintenance of premises and equipment |                                | 26  | 26                             | -                              |
| Catering costs                        |                                | 3   | 3                              | -                              |
| Office overheads                      |                                | 1   | 1                              | 1                              |
| Legal and professional fees           |                                | 18  | 18                             | 6                              |
| Wages and salaries                    |                                | 10  | 10                             | 36                             |
| National insurance                    |                                | 2   | 2                              | 1                              |
| Pension cost                          |                                | 56  | 56                             | 1                              |
| Depreciation                          |                                | -   | -                              | 1                              |
|                                       |                                | <b>137</b>  | <b>137</b>                     | <b>68</b>                      |

**11. RESOURCES EXPENDED**

|   | <b>Staff costs<br/>2014<br/>£000</b> | <b>Non Pay<br/>Expenditure<br/>Other costs<br/>2014<br/>£000</b> | <b>Total<br/>2014<br/>£000</b> | <b>Total<br/>2013<br/>£000</b> |
|---|--------------------------------------|--|--------------------------------|--------------------------------|
| Fundraising expenses                          | 44                                   | -  | 44                             | 15                             |
| <b>Costs of generating funds</b>              | <b>44</b>                            | <b>-</b>   | <b>44</b>                      | <b>15</b>                      |
| Educational operations direct                 | 722                                  | 200  | 922                            | 577                            |
| Educational operations allocated              | -                                    | -  | -                              | 109                            |
| Support costs - Educational operations direct | 68                                   | 69   | 137                            | 68                             |
| <b>Charitable activities</b>                  | <b>790</b>                           | <b>269</b>   | <b>1,059</b>                   | <b>754</b>                     |
| <b>Governance</b>                             | <b>-</b>                             | <b>9</b>   | <b>9</b>                       | <b>8</b>                       |
|   | <b>834</b>                           | <b>278</b>   | <b>1,112</b>                   | <b>777</b>                     |

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

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

|                               | Activities<br>undertaken<br>directly | Support<br>costs | Total | Total |
|-------------------------------|--------------------------------------|------------------|-------|-------|
|                               | 2014                                 | 2014             | 2014  | 2013  |
|                               | £000                                 | £000             | £000  | £000  |
| Educational operations direct | 922                                  | 137              | 1,059 | 754   |

**13. NET INCOMING RESOURCES**

This is stated after charging:

|  | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|--|-----------------------------------|---|
| Depreciation of tangible fixed assets:<br>- owned by the charity | 50                                | 29  |

**14. AUDITORS' REMUNERATION**

|   | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|---|-----------------------------------|---|
| Fees payable to the academy's auditor and its associates for the<br>audit of the academy's annual accounts                    | 5                                 | 4   |
| Fees payable to the academy's auditor and its associates in<br>respect of:<br>All other non-audit services not included above | 3                                 | 1   |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. STAFF**

**a. Staff costs**

Staff costs were as follows:

|                               | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|-------------------------------|-----------------------------------|---|
| Wages and salaries            | 647                               | 455                                       |
| Social security costs         | 38                                | 28  |
| Other pension costs (Note 27) | 149                               | 63  |
|                               | <u>834</u>                        | <u>546</u>                                |
| Supply teacher costs          | 4                                 | 10  |
|                               | <u>838</u>                        | <u>556</u>                                |

**b. Staff numbers**

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

|                | year<br>31 August<br>2014<br>No. | Period ended<br>31 August<br>2013<br>No. |
|----------------|----------------------------------|--|
| Teaching staff | 11                               | 11                                       |
| Support staff  | 15                               | 14                                       |
| Management     | 1                                | 2  |
|                | <u>27</u>                        | <u>27</u>                                |

**c. Higher paid staff**

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

|                               | year<br>31 August<br>2014<br>No. | Period ended<br>31 August<br>2013<br>No. |
|-------------------------------|----------------------------------|--|
| In the band £60,001 - £70,000 | 1                                | 0  |

The above member of staff participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions for this member of staff amounted to £7,911 (2013: £3,014).

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**16. GOVERNORS' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 1 Governor (2013 - NIL) in respect of defined benefit pension schemes.

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

|                  | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|------------------|-----------------------------------|---|
| F Hemming        | 75-80                             | 40-45                                     |
| B Townend-Jowitt | 55-60                             | 25-30                                     |
| A Whitworth      | 15-20                             | 5-10                                      |
| C Hood           | 30-35                             |   |

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

**17. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2014 was £888 (2013 - £1,330). The cost of this insurance is included in the total insurance cost.

**18. OTHER FINANCE INCOME**

|  | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|--|-----------------------------------|---|
| Expected return on pension scheme assets | 8                                 | 3   |
| Interest on pension scheme liabilities   | (14)                              | (7)                                       |
|  | <u>(6)</u>                        | <u>(4)</u>                                |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. TANGIBLE FIXED ASSETS**

|                       | L/Term<br>Leasehold<br>Property<br>£000 | Plant and<br>machinery<br>£000 | Fixtures and<br>fittings<br>£000 | Computer<br>equipment<br>£000 |
|-----------------------|---|--------------------------------|----------------------------------|-------------------------------|
| <b>Cost</b>           |   |                                |                                  |                               |
| At 1 September 2013   | 2,743                                   | 4                              | 23                               | 21                            |
| Additions             | 70                                      | 50                             | -                                | 4                             |
| At 31 August 2014     | <u>2,813</u>                            | <u>54</u>                      | <u>23</u>                        | <u>25</u>                     |
| <b>Depreciation</b>   |   |                                |                                  |                               |
| At 1 September 2013   | 25                                      | 1                              | 1                                | 1                             |
| Charge for the year   | 39                                      | 1                              | 2                                | 8                             |
| At 31 August 2014     | <u>64</u>                               | <u>2</u>                       | <u>3</u>                         | <u>9</u>                      |
| <b>Net book value</b> |   |                                |                                  |                               |
| At 31 August 2014     | <u>2,749</u>                            | <u>52</u>                      | <u>20</u>                        | <u>16</u>                     |
| At 31 August 2013     | <u>2,718</u>                            | <u>3</u>                       | <u>22</u>                        | <u>20</u>                     |
|                       |   |                                |                                  | <b>Total<br/>£000</b>         |
| <b>Cost</b>           |   |                                |                                  |                               |
| At 1 September 2013   |   |                                |                                  | 2,791                         |
| Additions             |   |                                |                                  | 124                           |
| At 31 August 2014     |   |                                |                                  | <u>2,915</u>                  |
| <b>Depreciation</b>   |   |                                |                                  |                               |
| At 1 September 2013   |   |                                |                                  | 28                            |
| Charge for the year   |   |                                |                                  | 50                            |
| At 31 August 2014     |   |                                |                                  | <u>78</u>                     |
| <b>Net book value</b> |   |                                |                                  |                               |
| At 31 August 2014     |   |                                |                                  | <u>2,837</u>                  |
| At 31 August 2013     |   |                                |                                  | <u>2,763</u>                  |

Included in land and buildings is leasehold land at valuation of £849,000, (cost £NIL) which is not depreciated.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. DEBTORS**

|                                | <b>2014</b> | <b>2013</b> |
|--------------------------------|-------------|-------------|
|                                | <b>£000</b> | <b>£000</b> |
| Trade debtors                  | 6           | 5           |
| Other debtors                  | 8           | 10          |
| Prepayments and accrued income | 184         | 48          |
|                                | <u>198</u>  | <u>63</u>   |

**21. CREDITORS:  
Amounts falling due within one year**

|                                    | <b>2014</b> | <b>2013</b> |
|------------------------------------|-------------|-------------|
|                                    | <b>£000</b> | <b>£000</b> |
| Trade creditors                    | 7           | -           |
| Other taxation and social security | 24          | 14          |
| Other creditors                    | 44          | 59          |
| Accruals and deferred income       | 186         | 83          |
|                                    | <u>261</u>  | <u>156</u>  |

**Deferred income**

|                                      | <b>£000</b> |
|--------------------------------------|-------------|
| Deferred income at 1 September 2013  | 9           |
| Resources deferred during the year   | 32          |
| Amounts released from previous years | (9)         |
| Deferred income at 31 August 2014    | <u>32</u>   |

Deferred income related to the recharge of the PSA to other local schools which was invoiced until 31 March 2015 and also amounts received before the year end to fund the Universal Free School Meals in 2014/15.



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**22. STATEMENT OF FUNDS**

|   | <b>Brought<br/>Forward<br/>£000</b> | <b>Incoming<br/>resources<br/>£000</b> | <b>Resources<br/>Expended<br/>£000</b> | <b>Transfers<br/>in/out<br/>£000</b> | <b>Gains/<br/>(Losses)<br/>£000</b> | <b>Carried<br/>Forward<br/>£000</b> |
|---|-------------------------------------|--|--|--------------------------------------|-------------------------------------|-------------------------------------|
| <b>Unrestricted<br/>funds</b>             |                                     |  |  |                                      |                                     |                                     |
| General Funds - all<br>funds              | <b>17</b>                           | <b>54</b>                              | <b>(32)</b>                            | <b>(3)</b>                           | <b>-</b>                            | <b>36</b>                           |
| <b>Restricted funds</b>                   |                                     |  |  |                                      |                                     |                                     |
| General Annual<br>Grant (GAG)             | <b>6</b>                            | <b>864</b>                             | <b>(857)</b>                           | <b>12</b>                            | <b>-</b>                            | <b>25</b>                           |
| Other DfE/EFA/LA<br>Grants                | <b>-</b>                            | <b>97</b>                              | <b>(91)</b>                            | <b>-</b>                             | <b>-</b>                            | <b>6</b>                            |
| Activities for<br>Generating Funds        | <b>-</b>                            | <b>29</b>                              | <b>(29)</b>                            | <b>3</b>                             | <b>-</b>                            | <b>3</b>                            |
| Other income                              | <b>-</b>                            | <b>3</b>                               | <b>(3)</b>                             | <b>-</b>                             | <b>-</b>                            | <b>-</b>                            |
| Lord Dulverton                            | <b>8</b>                            | <b>13</b>                              | <b>(3)</b>                             | <b>(13)</b>                          | <b>-</b>                            | <b>5</b>                            |
| Lord Dulverton<br>kitchen                 | <b>-</b>                            | <b>10</b>                              | <b>(4)</b>                             | <b>(6)</b>                           | <b>-</b>                            | <b>-</b>                            |
| Susanna Peake<br>Charitable Trust         | <b>-</b>                            | <b>5</b>                               | <b>(3)</b>                             | <b>(2)</b>                           | <b>-</b>                            | <b>-</b>                            |
| The Moreton-in -<br>Marsh Charity         | <b>-</b>                            | <b>2</b>                               | <b>-</b>                               | <b>-</b>                             | <b>-</b>                            | <b>2</b>                            |
| Bourton-on the -Hill<br>Educational Trust | <b>-</b>                            | <b>1</b>                               | <b>(1)</b>                             | <b>-</b>                             | <b>-</b>                            | <b>-</b>                            |
| Other restrcited<br>donations             | <b>-</b>                            | <b>1</b>                               | <b>(1)</b>                             | <b>-</b>                             | <b>-</b>                            | <b>-</b>                            |
| Pension reserve                           | <b>(166)</b>                        | <b>-</b>                               | <b>(4)</b>                             | <b>-</b>                             | <b>(65)</b>                         | <b>(235)</b>                        |
|   | <b>(152)</b>                        | <b>1,025</b>                           | <b>(996)</b>                           | <b>(6)</b>                           | <b>(65)</b>                         | <b>(194)</b>                        |

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

**Restricted fixed asset funds**

|  |              |              |                |          |             |              |
|--|--------------|--------------|----------------|----------|-------------|--------------|
| Transferred from predecessor school          | 2,763        | -            | (50)           | 122      | -           | 2,835        |
| Academies Capital Maintenance Fund           | -            | 273          | (34)           | (108)    | -           | 131          |
| Devolved Formula Capital Grant               | -            | 7            | -              | (4)      | -           | 3            |
| Gloucester Diocese Capital Maintenance Grant | 9            | -            | -              | -        | -           | 9            |
|  | -            | 1            | -              | (1)      | -           | -            |
|  | <u>2,772</u> | <u>281</u>   | <u>(84)</u>    | <u>9</u> | <u>-</u>    | <u>2,978</u> |
| Total restricted funds                       | <u>2,620</u> | <u>1,306</u> | <u>(1,080)</u> | <u>3</u> | <u>(65)</u> | <u>2,784</u> |
| Total of funds                               | <u>2,637</u> | <u>1,360</u> | <u>(1,112)</u> | <u>-</u> | <u>(65)</u> | <u>2,820</u> |

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

The restricted general fund includes grants receivable from the EFA/DfE, Local Authority and other government grants to be used for the primary educational activity of the academy. An Academies Capital Maintenance Fund grant was awarded for the main block roof and for the kitchen. Funds were also received from Lord Dulverton, to be spent on the kitchens.

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

**SUMMARY OF FUNDS**

|                              | Brought Forward<br>£000 | Incoming resources<br>£000 | Resources Expended<br>£000 | Transfers in/out<br>£000 | Gains/ (Losses)<br>£000 | Carried Forward<br>£000 |
|------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| General funds                | 17                      | 54                         | (32)                       | (3)                      | -                       | 36                      |
| Restricted funds             | (152)                   | 1,025                      | (996)                      | (6)                      | (65)                    | (194)                   |
| Restricted fixed asset funds | 2,772                   | 281                        | (84)                       | 9                        | -                       | 2,978                   |
|                              | <u>2,637</u>            | <u>1,360</u>               | <u>(1,112)</u>             | <u>-</u>                 | <u>(65)</u>             | <u>2,820</u>            |

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

|  | Unrestricted<br>funds<br>2014<br>£000 | Restricted<br>funds<br>2014<br>£000 | Restricted<br>fixed asset<br>funds<br>2014<br>£000 | Total<br>funds<br>2014<br>£000 | Total<br>funds<br>2013<br>£000 |
|--|---------------------------------------|-------------------------------------|--|--------------------------------|--------------------------------|
| Tangible fixed assets                  | 2                                     | -                                   | 2,833  | 2,835                          | 2,763                          |
| Current assets                         | 36                                    | 302                                 | 143  | 481                            | 195                            |
| Creditors due within one year          | -                                     | (261)                               | -  | (261)                          | (155)                          |
| Provisions for liabilities and charges | -                                     | (235)                               | -  | (235)                          | (166)                          |
|  | <u>36</u>                             | <u>(194)</u>                        | <u>2,978</u>                                       | <u>2,820</u>                   | <u>2,637</u>                   |

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

|  | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|--|-----------------------------------|---|
| Net incoming resources before revaluations       | 248                               | 2,651                                     |
| Transferred from predecessor school              | -                                 | (2,621)                                   |
| Depreciation of tangible fixed assets            | 50                                | 28  |
| Capital grants from DfE                          | (281)                             | (55)                                      |
| Increase in debtors                              | (135)                             | (62)                                      |
| Increase in creditors                            | 105                               | 156                                       |
| Cash on conversion                               | -                                 | (4)                                       |
| FRS 17 adjustments                               | 4                                 | 2   |
| <b>Net cash (outflow)/inflow from operations</b> | <u>(9)</u>                        | <u>95</u>                                 |

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

|   | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|---|-----------------------------------|---|
| <b>Capital expenditure and financial investment</b> |                                   |   |
| Purchase of tangible fixed assets                   | (124)                             | (2,791)                                   |
| Capital grants from DfE                             | 281                               | 55  |
| Assets transferred from predecessor school          | -                                 | 2,770                                     |
| <b>Net cash inflow capital expenditure</b>          | <u>157</u>                        | <u>34</u>                                 |

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

|                           | 1<br>September<br>2013<br>£000 | Cash flow<br>£000 | Other<br>non-cash<br>changes<br>£000 | 31 August<br>2014<br>£000 |
|---------------------------|--------------------------------|-------------------|--------------------------------------|---------------------------|
| Cash at bank and in hand: | 133                            | 148               | -                                    | 281                       |
| <b>Net funds</b>          | <b>133</b>                     | <b>148</b>        | <b>-</b>                             | <b>281</b>                |

**27. 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 Gloucestershire County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to ££13,347 were payable to the scheme at 31 August 2014 (2013 - £13,681) 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.

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**27. PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

**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.

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**27. PENSION COMMITMENTS (continued)**

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 reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting 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 £58,000, of which employer's contributions totalled £47,000 and employees' contributions totalled £11,000. The agreed contribution rates for future years are 23% for employers and 6% for employees.

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

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

|                                     | <b>Expected<br/>return at<br/>31 August<br/>2014<br/>%</b> | <b>Fair value at<br/>31 August<br/>2014<br/>£000</b> | <b>Expected<br/>return at<br/>31 August<br/>2013<br/>%</b> | <b>Fair value at<br/>31 August<br/>2013<br/>£000</b> |
|-------------------------------------|--|--|--|--|
| Equities                            | 6.30   | 146  | 6.60   | 75   |
| Bonds                               | 3.20   | 42   | 3.80   | 21   |
| Property                            | 4.50   | 12   | 4.70   | 6  |
| Cash                                | 3.30   | 2  | 3.60   | 2  |
| Total market value of assets        |  | 202  |  | 104  |
| Present value of scheme liabilities |  | (437)  |  | (270)  |
| (Deficit)/surplus in the scheme     |  | (235)  |  | (166)  |

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**27. PENSION COMMITMENTS (continued)**

The amounts recognised in the Balance sheet are as follows:

|                                     | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|-------------------------------------|-----------------------------------|---|
| Present value of funded obligations | (437)                             | (270)                                     |
| Fair value of scheme assets         | 202                               | 104                                       |
| Net liability                       | <u>(235)</u>                      | <u>(166)</u>                              |

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

|                                  | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|----------------------------------|-----------------------------------|---|
| Current service cost             | (45)                              | (22)                                      |
| Interest on obligation           | (14)                              | (7)                                       |
| Expected return on scheme assets | 8                                 | 3   |
| Total                            | <u>(51)</u>                       | <u>(26)</u>                               |
| Actual return on scheme assets   | <u>18</u>                         | <u>8</u>                                  |

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

|   | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|---|-----------------------------------|---|
| Opening defined benefit obligation            | 270                               | -   |
| Current service cost                          | 45                                | 22  |
| Interest cost                                 | 14                                | 7   |
| Contributions by scheme participants          | 11                                | 7   |
| Actuarial Losses                              | 97                                | 19  |
| Liabilities assumed in a business combination | -                                 | 215                                       |
| Closing defined benefit obligation            | <u>437</u>                        | <u>270</u>                                |

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**27. PENSION COMMITMENTS (continued)**

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

|   | year<br>31 August<br>2014<br>£000 | Period ended<br>31 August<br>2013<br>£000 |
|---|-----------------------------------|---|
| Opening fair value of scheme assets       | 104                               | -   |
| Expected return on assets                 | 8                                 | 3   |
| Actuarial gains and (losses)              | 32                                | 5   |
| Contributions by employer                 | 47                                | 28  |
| Contributions by employees                | 11                                | 7   |
| Assets acquired in a business combination | -                                 | 61  |
|   | <u>202</u>                        | <u>104</u>                                |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £79,000 loss. (2013 - £14,000 loss.).

The academy expects to contribute £52,000 to its Defined benefit pension scheme in 2015.

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

|          | 2014    | 2013    |
|----------|---------|---------|
| Equities | 72.00 % | 72.00 % |
| Bonds    | 21.00 % | 20.00 % |
| Property | 6.00 %  | 6.00 %  |
| Cash     | 1.00 %  | 2.00 %  |

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        | 5.50 % | 5.90 % |
| Rate of increase in salaries                         | 4.00 % | 4.60 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.80 % |
| Inflation assumption (CPI)                           | 1.50 % | 2.40 % |

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                | 22.5 | 21.7 |
| Females              | 24.6 | 23.6 |
| Retiring in 20 years |      |      |
| Males                | 24.4 | 23.5 |
| Females              | 27.0 | 25.8 |



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**27. PENSION COMMITMENTS (continued)**

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

|  | <b>2014</b>  | <b>2013</b>  |
|--|--------------|--------------|
|  | <b>£000</b>  | <b>£000</b>  |
| Defined benefit obligation                   | <b>(437)</b> | <b>(270)</b> |
| Scheme assets                                | <b>202</b>   | <b>104</b>   |
| Deficit                                      | <b>(235)</b> | <b>(166)</b> |
| Experience adjustments on scheme liabilities | <b>(97)</b>  | <b>(19)</b>  |
| Experience adjustments on scheme assets      | <b>32</b>    | <b>5</b>     |

**28. RELATED PARTY TRANSACTIONS**

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

|   | <b>year</b>      | <b>Period ended</b> |
|---|------------------|---------------------|
|   | <b>31 August</b> | <b>31 August</b>    |
|   | <b>2014</b>      | <b>2013</b>         |
|   | <b>£</b>         | <b>£000</b>         |
| Mr Whitworth (plumbing services)          | <b>501</b>       | <b>852</b>          |
| Mr Whitworth is the husband of a Governor |                  |                     |