

Registrar's Copy

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

| | |
|-----------------|---|
| Members | L Russell, Chair (appointed 9 December 2014) ¹ C Burton ¹ K Rees (appointed 1 November 2014) R Brock (resigned 6 May 2015) |
| Trustees | M Awolola ¹ D Matthieu (appointed 8 December 2014) ¹ A Day H Martin (appointed 1 September 2015) ¹ D Copping, Accounting Officer ¹ J Casey ¹ H Bruton (appointed 1 September 2015) A Adow (resigned 5 May 2015) A Willmore (resigned 30 November 2014) |

¹ Resources and finance committee

| | |
|--|--|
| Company registered number | 8333159 |
| Principal and registered office | Shaw Primary School Avon Green South Ockendon Essex RM15 5QJ |

| | |
|-------------------------------|--|
| Company secretary | L Jones |
| Accounting Officer | D Copping |
| Senior management team | D Copping, Headteacher C Arnott, Deputy Headteacher A Vorster, Assistant Headteacher |

| | |
|-----------------------------|--|
| Independent auditors | MWS Chartered Accountants Registered Auditors Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE |
|-----------------------------|--|

| | |
|----------------|---|
| Bankers | Lloyds TSB Bank Plc 1-3 Market Place Town Centre Romford Essex RM1 3AA |
|----------------|---|

| | |
|-------------------|--|
| Solicitors | Anthony Collins Solicitors LLP 134 Edmund Stret Birmingham B3 2ES |
|-------------------|--|

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

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 Shaw Primary Academy (the academy) for the ended 31 August 2015. The governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Discussion on conversion to academy trust

On 1 February 2013 the Shaw Primary School converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Shaw Primary Academy from the Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

Structure, governance and management

a. CONSTITUTION

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 8333159.

The governors act as the trustees for the charitable activities of Shaw Primary Academy and are also the directors of the charitable company for the purposes of company law.

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

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. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Governor recruitment is through a combination of approaches, one being the co-option of those with necessary skills, from parents of children at the school to those with an interest in the school community. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the members of the Academy Trust who will decide the successful candidate.

If a Parent Governor vacancy becomes available then information is circulated to all school parent/carers. Prospective Governors can then be nominated and seconded. If more than one applicant applies, voting papers are sent out. Staff Governor elections will follow a similar procedure.

The Chair and Vice-Chair are elected to the position annually, as are the Chairs of Sub-Committees.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The school provides all new Governors with a comprehensive induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

being a school Governor so they can fulfil their role with confidence.

e. ORGANISATIONAL STRUCTURE

The Shaw Primary Academy is governed by the Governing Body and is constituted under a Memorandum of Association and Articles of Association.

The Governing Body is responsible for the strategic management of the school; deciding and setting key aspects such as the strategic direction, annual budgets, senior staff appointments, policy development and changes and ensuring compliance with legal requirements.

The Headteacher is the Accounting Officer and is supported by the senior leadership team. The Governing Body has delegated the day-to-day running of the Academy to the Headteacher and while it has retained responsibility for certain aspects of governance, the majority of roles and responsibilities are delegated to the Committees, as defined in the school's Standing Orders.

There is an additional Committee, with its own terms of reference:

- Resources and Finance

There are additional Sub-Committees that convene as and when required.

f. RISK MANAGEMENT

The Shaw Primary Academy regularly undertakes a comprehensive assessment of possible risks to the future of the Academy (Risk Register). The chief risks identified include issues relating to academic performance, child welfare and finances. The Academy has developed policies and procedures to mitigate these risks. Where significant financial risk still remains, the school has ensured adequate insurance cover. There are effective systems of internal financial control (explained in more detail in the Governance Statement).

The Risk Register is regularly reviewed by the Governing Body.

g. GOVERNORS' INDEMNITIES

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

h. PRINCIPAL ACTIVITIES

The Academy's principle activity is to provide education to boys and girls between the ages of 4 and 11, without prejudice, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as set down in the Company's Memorandum and Articles of Association.

Objectives and Activities

a. OBJECTS AND AIMS

Our overall aim is to provide a stimulating environment which enables all children to enjoy learning and reach their individual potential.

Our general aims in relation to learning are:

- to provide a broad, balanced, relevant, stimulating and differentiated curriculum which is accessible to all children;
- to support each pupil in reaching his/her individual potential;
- to enable all children to progress by the use of suitable and flexible structured activities;

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- to encourage a high level of concentration through the provision of purposeful activities in an atmosphere of quiet calm;
- to achieve high standards of work and behaviour through building good relationships and developing a sense of responsibility;
- to encourage mutual respect and trust between adults and children
- to create a welcoming atmosphere;
- to encourage parents/carers to take an active part in their child's education both at home and school;
- to increase an awareness of, and sensitivity towards others;
- to liaise effectively with pre-school groups and secondary schools, paying particular attention to continuity of the curriculum and progress of each pupil.

The school is committed to safeguarding and promoting the welfare of children and expects all staff and volunteers to share this commitment.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The School Development Plan has been tailored specifically to meet the overall objects and aims of the school, as outlined above. It is constantly reviewed and the key priorities are updated. It covers all aspects of achievements and standards across the curriculum; pupils progress, pupils health, behaviour and wellbeing; staff and management; premises and resources; community and promotion; and finance.

c. PUBLIC BENEFIT

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with their duty in the Charities Act to have due regard to the public benefit guidance provided by the Charity Commission.

Strategic report

Achievements and performance

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.

b. REVIEW OF ACTIVITIES

Achievement is at least Good and Outstanding by the end of Key Stage 2 this is reflected in most groups including those in receipt of Pupil Premium, More Able and SEN. Standards of attainment of almost all groups are in line with or above National averages and the proportions of pupils making or exceeding expected progress in English and maths is high compared with national averages.

- Early Years outcomes are good with more pupils achieving GLD than the national average.
- The % of pupils meeting the expected standard in the Phonics Check is above the National average.
- The % of pupils achieving level 2b in reading, writing and maths is slight improvement on last year and is either in line with or above national average. The same is true of those achieving level 3 excluding in reading, however, the % of pupils achieving level 3 for reading has increased each year for the last three years and the gap on national data continues to close.
- APS at the end of KS1 shows a continuing upward trend in R,W and M and is above the national average in all subjects demonstrating at least Good progress from EYFS
- The achievement of disadvantaged pupils is in line or above the national average.
- In-year standards are on track for good end of key stage outcomes with the majority of pupils achieving

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

the agreed age-related year groups standard in R,W and M.

- Standards at the end of KS2 are above national averages for all subjects at level 4 and at Level 5.
- APS at the end of KS2 shows a continuing upward trend in all subjects and is above national averages overall.
- GPS is above the national average at level 4 and 5
- Progress, as indicated by value added, between KS1 and KS2 is significantly above the national average at 101.5 showing outstanding progress by the end of KS2 in all subjects.
- The progress of groups compares favourably with national averages with many groups making outstanding progress.

When compared to similar schools using OFSTED Data Dashboard, progress was in the highest quintile 2014, therefore, current data is predicting a similar outcome this year.

Financial review

a. OVERVIEW

The majority of the Academy's income is derived from the Education Funding Agency (EFA), (formerly the Young People's Learning Agency). The income is in the form of recurrent grants, of which the use is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the EFA and local authority; all these grants are shown as restricted income.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy Trust has a comprehensive Risk Register which is reviewed regularly. Falling pupil numbers would impact on funding streams for the Academy, making a deficit budget a possibility and affecting long-term viability. Consequently pupil forecasts are monitored carefully and appropriate responsive action is taken.

c. RESERVES POLICY

The directors are aware of the requirement to balance current and future needs. The directors always aim to set a balanced budget with annual income balancing annual expenditure.

Building work has begun on a new training room which will be used by this academy and partner schools in the teaching school alliance for a range of activities, including conferences, training and alliance meetings. To support the use of this room an extension to the current car park is planned to allow for additional staff and planning permission is currently being considered by Thurrock Council. Procurement has also begun on the planned building of an additional classroom in order to improve facilities for Key Stage 1 pupils who are currently being taught in an outdoor demountable room that is beyond further improvement or repair. Key Stage 1 pupils will also benefit from significant improvement to the outdoor learning area which will include extensive improvements including resurfacing, gym trails, canopies and covered wooden outdoor learning spaces. Further improvements to the Academy included full refurbishment to our wildlife and pond area, the purchase of a minibus to allow pupils to attend out of school activities, sports and music events and replacement flooring for all Key Stage 1 classrooms. The estimated costs of these works is in the region of £500,000.

In light of this future anticipated cost the directors have not spent existing contingencies and retained as many funds as possible to support this future expenditure. This has been achieved without compromising the quality of education offered to pupils.

The academy's current level of free reserves is £360,275. This has been built up from balances transferred from the predecessor school. Surpluses built up by careful control of GAG expenditure since conversion to academy amount to £854,091. The cash balance of the academy has been very healthy all year, ending the year with a balance of £1,262,614. The directors have determined that in addition to funds earmarked for the building project, they should hold a contingency equivalent to £50,000.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

d. MATERIAL INVESTMENTS POLICY

The charitable company's current policy is to invest surplus funds in short-term cash deposits. There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Plans for future periods

a. FUTURE DEVELOPMENTS

The academy will continue to ensure high quality provision through excellent resources and teaching. Staffing capacity will be increased with the addition of a supernumerary teacher to ensure good outcomes for pupils in receipt of pupil premium and a Specialist support assistant who works with pupils who speak English as an additional language. Governors will also be consulted on the senior leadership team's desire to appoint specialist sports coaches to teach curriculum P.E. and after school clubs. In the longer term we are planning for the possibility of the pre-paving of all external pathways within the school grounds.

Through a broad and balanced curriculum, effective assessment of pupil standards and clear behaviour for learning strategies the academy remains completely committed to inspiring and empowering every individual to find and unlock their potential and develop the skills necessary to become life-long learners.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Shaw Primary Academy acts as custodians and holds funds for the Thurrock Primary Heads Association, these funds are shown in our accounts.

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 has taken all the steps that 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.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 8 December 2015 and signed on the board's behalf by:


.....
L Russell
Chair of Trustees

SHAW PRIMARY ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Shaw 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 Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Shaw 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 6 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 |
|-------------------------------|-------------------|-------------------|
| H Martin | 2 | 2 |
| C Burton | 4 | 6 |
| R Brock | 3 | 3 |
| D Copping, Accounting Officer | 6 | 6 |
| K Rees | 3 | 6 |
| L Russell, Chair | 5 | 6 |
| M Awolola | 6 | 6 |
| A Day | 1 | 2 |
| D Matthieu | 3 | 6 |
| J Casey | 1 | 6 |
| A Adow | 3 | 3 |

There have been some key changes to the composition of the governing body which are as follows:

New Chair appointed 20th May 2015

New Vice Chair appointed 20th May 2015

One parent governors appointed 30th September 2015

One governors resigned Autumn term 2014

In addition to the above, and as a result of difficulties with attendance, the committee structure has been abolished in favour of two full governing body meetings per term. Each of the meetings has a specific focus for the agenda, one of which is all matters related to learning and teaching and pupil outcomes, the other is matters relating to finance, premises and health and safety.

Governance reviews:

At every meeting the Governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way that the school performance can be measured and to help the school improve.

Termly, full governing body meetings dedicated to matters relating to finance and resources uphold their purpose is to manage the finances, premises and health and safety of the Academy. At every meeting the Governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way that the school performance can be monitored and to help the school improve.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|-------------------------------|-------------------|-------------------|
| D Copping, Accounting Officer | 3 | 3 |
| C Burton | 2 | 3 |
| M Awolola | 3 | 3 |
| J Casey | 3 | 3 |
| K Rees | 1 | 3 |
| L Russell | 2 | 3 |
| D Matthieu | 2 | 3 |
| H Martin | 1 | 1 |
| A Day | 0 | 1 |

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Improving educational Outcomes

We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:-

- Ensuring all resources needed to fully embed the new national curriculum are in place to facilitate at least good learning and teaching
- Monitoring the needs and achievements of all pupils, and ensuring that staff capacity and expertise is of the highest standard possible
- Monitoring the performance of particular staff, and ensuring that relevant action is taken to support on-going professional development
- Engaging with other educational providers and outside agencies to share good practice and drive up standards for the least cost

The impact of these strategies is reflected in our pupil outcomes which are in line with or above national averages in all areas. By the time children leave the academy at the end of Key Stage 2 they make progress that is significantly above the national average.

Financial Governance and oversight

Are services of appropriate quality, economic? Our Governors' approach

- Governors and school leaders will apply the principles of Best Value when making decisions about:
 - The allocation of resources to best promote the SDP aims and values of our school
 - The targeting of resource to best improve standards and the quality of provision
 - The use of resources to best support the various needs of all pupil's staff parents and governor's
- Governors and School leaders will:
- Make comparisons with similar schools using data provided by the Government , e.g. Raiseonline, quality of Teaching & Learning, levels of expenditure
 - Challenge proposals, examine them for effectiveness, efficiency and cost e.g. setting of annual pupil achievement targets, extended services provision
 - Require suppliers to compete on levels of cost, and quality/suitability of services/products/backup
 - Consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers e.g. Energy Management , HR, Payroll

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GOVERNANCE STATEMENT (continued)

This will also apply in particular to:-

- Quality of learning
- Purchasing
- Learners welfare and emotional well-being
- Health and safety
- Staffing
- Use of premises
- Use of resource
- Quality of teaching

Better Purchasing

The trust has realised that the pursuit of minor improvements or savings is not always cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Governors and school leaders will develop procedures for assessing need, and obtaining goods and services which provide " Best Value" in terms of suitability, efficiency, time and cost. Measures already in place include:-

- Competitive tendering procedures
- Procedures for accepting " Best Value" quotes, which are not necessarily the cheapest
 - Considering whether the purchase is really necessary
 - Procedures which minimise admin time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment)
 - Discussion with other local schools, to be informed with products/services before making purchases

Better Income Generation

- We continue to explore all areas for income generation, at present lettings, commission on school photographs, catering, commissioning services Head teacher Ofsted Inspector together with delivering Marking training and teaching school alliance contributions from our staff

Reviewing Controls and Managing risks

The Academy has now established robust, segregation of duties within financial control. The academy carries out regular financial monitoring with Essex Financial Services plus regular meetings with the nominated Accountant. All areas of Financial Control with reports are then presented to the Finance/Audit Committee/ Full Governing Body. Governors challenge decision maker's within the trust on the cost and effectiveness of spending proposals in order to achieve value for money.

Actions taken to manage risk include the purchase of an appropriate level of insurance cover (independent assessment) together with a consultation undertaken with Insurance assessor.

Professional advice for HR, Legal, Health and Safety has also been commissioned.

Targeted Improvements/ Future Objectives/staffing levels

Governors and school leaders will deploy staff to provide Best Value in terms of quality of teaching, quality of learning, adult-pupil ratio and curriculum management. The academy staffing Structure is reviewed annually to ensure the most appropriate provision for our pupils. In 2015 the Academy engaged a Specialist teacher to target all the underachieving pupils and the results have had a very positive impact. Also the school employed a specialist Learning Support Assistant to support the needs of pupils who speak English as an additional language.

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 Shaw Primary Academy for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of 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 of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Essex Educational Services as internal auditor.

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

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

REVIEW OF EFFECTIVENESS

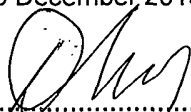
As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 8 December 2015 and signed on its behalf, by:


.....
L Russell
Chair of Trustees


.....
D Copping
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Shaw 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 (2014).

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 (2014).

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


.....
D Copping
Accounting Officer

Date: 8 December 2015

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**GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

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

Company law requires the 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;
- 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 8 December 2015 and signed on its behalf by:



.....
L Russell
Chair of Trustees

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHAW PRIMARY ACADEMY

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

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

RESPECTIVE RESPONSIBILITIES OF 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.

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHAW PRIMARY ACADEMY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Fiona Read FCA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants
Registered Auditors

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE
8 December 2015

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SHAW
PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 February 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Shaw Primary Academy during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF SHAW PRIMARY ACADEMY'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Shaw Primary Academy's funding agreement with the Secretary of State for Education dated 25 May 2012, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Based upon our risk assessment of material non-compliance, we carried out detailed testing of the specific income streams from the EFA, and the related expenditure streams, to which specific conditions had been attached.

We evaluated the control environment of the Academy Trust, extending the procedures required for the financial statements to include regularity. We tested a sample of the specific control activities over regularity of particular activities. We confirmed that the Academy Trust had not entered into any borrowing arrangements. We carried out substantive testing of fixed assets to confirm that no sales of any assets had taken place. We reviewed cash payments made by the school for any unusual transactions and verified the nature of said transactions. We reviewed the list of suppliers to consider whether any supplies were made by related parties connected to the Principal, Finance Manager or any Governor. We reviewed the nature and terms of any lettings to ensure that any lettings made to any related parties were made at the normal third party rates and not on any favourable terms.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SHAW
PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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


MWS

Chartered Accountants
Reporting Accountants

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

8 December 2015

SHAW 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 2015

| | Note | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---|------|----------------------------------|---|------------------------------------|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 2 | - | - | 12,340 | 12,340 | 7,903 |
| Activities for generating funds | 3 | - | - | 55,242 | 55,242 | 47,849 |
| Investment income | 4 | - | - | 1,277 | 1,277 | 862 |
| Incoming resources from charitable activities | 5 | 2,219,454 | 314,682 | - | 2,534,136 | 1,999,759 |
| Other incoming resources | 6 | 21,959 | - | - | 21,959 | - |
| TOTAL INCOMING RESOURCES | | 2,241,413 | 314,682 | 68,859 | 2,624,954 | 2,056,373 |
| RESOURCES EXPENDED | | | | | | |
| Charitable activities | | 1,699,438 | 187,874 | 231,424 | 2,118,736 | 1,907,675 |
| Governance costs | 7 | 9,020 | - | - | 9,020 | 8,170 |
| TOTAL RESOURCES EXPENDED | 10 | 1,708,458 | 187,874 | 231,424 | 2,127,756 | 1,915,845 |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | 532,955 | 126,808 | (162,565) | 497,198 | 140,528 |
| Transfers between Funds | 20 | (251,299) | 113,299 | 138,000 | - | - |
| NET INCOME FOR THE YEAR | | 281,656 | 240,107 | (24,565) | 497,198 | 140,528 |
| Actuarial gains and losses on defined benefit pension schemes | | 22,000 | - | - | 22,000 | (170,000) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 303,656 | 240,107 | (24,565) | 519,198 | (29,472) |
| Total funds at 1 September 2014 | | (299,565) | 2,819,869 | 384,840 | 2,905,144 | 2,934,616 |
| TOTAL FUNDS AT 31 AUGUST 2015 | | 4,091 | 3,059,976 | 360,275 | 3,424,342 | 2,905,144 |

All activities relate to continuing operations.

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


The notes on pages 20 to 37 form part of these financial statements.

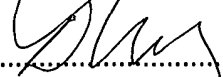
SHAW PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 8333159

BALANCE SHEET
AS AT 31 AUGUST 2015

| | Note | £ | 2015 £ | 2014 £ |
|---|------|------------------|------------------|------------------|
| FIXED ASSETS | | | | |
| Tangible assets | 17 | | 3,148,920 | 2,811,631 |
| CURRENT ASSETS | | | | |
| Debtors | 18 | 108,124 | | 112,270 |
| Cash at bank and in hand | | 1,262,614 | | 877,572 |
| | | <u>1,370,738</u> | | <u>989,842</u> |
| CREDITORS: amounts falling due within one year | 19 | (245,316) | | (86,329) |
| NET CURRENT ASSETS | | | 1,125,422 | 903,513 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 4,274,342 | 3,715,144 |
| Defined benefit pension scheme liability | 27 | (850,000) | | (810,000) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u>3,424,342</u> | <u>2,905,144</u> |
| FUNDS OF THE ACADEMY | | | | |
| Restricted funds: | | | | |
| Restricted funds | 20 | 854,091 | | 510,435 |
| Restricted fixed asset funds | 20 | 3,059,976 | | 2,819,869 |
| | | <u>3,914,067</u> | | <u>3,330,304</u> |
| Restricted funds excluding pension liability | | | | |
| Pension reserve | | (850,000) | | (810,000) |
| | | <u></u> | | <u></u> |
| Total restricted funds | | | 3,064,067 | 2,520,304 |
| Unrestricted funds | 20 | | 360,275 | 384,840 |
| TOTAL FUNDS | | | <u>3,424,342</u> | <u>2,905,144</u> |

The financial statements were approved by the governors, and authorised for issue, on 8 December 2015 and are signed on their behalf, by:


.....
L Russell,
Chair of Trustees


.....
D Copping,
Accounting Officer

The notes on pages 20 to 37 form part of these financial statements.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

| | Note | 2015 £ | 2014 £ |
|---|------|----------------|----------------|
| Net cash flow from operating activities | 23 | 594,246 | 290,123 |
| Returns on investments and servicing of finance | 24 | 1,277 | 862 |
| Capital expenditure and financial investment | 24 | (210,481) | (36,383) |
| INCREASE IN CASH IN THE YEAR | | 385,042 | 254,602 |

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

| | 2015 £ | 2014 £ |
|--|------------------|----------------|
| Increase in cash in the year | 385,042 | 254,602 |
| MOVEMENT IN NET FUNDS IN THE YEAR | 385,042 | 254,602 |
| Net funds at 1 September 2014 | 877,572 | 622,970 |
| NET FUNDS AT 31 AUGUST 2015 | 1,262,614 | 877,572 |

The notes on pages 20 to 37 form part of these financial statements.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The amended financial statements replace the original accounts, are now the statutory accounts and are prepared as they were at the date of the original accounts.

1.2 Going concern

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

1.3 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.

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

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

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

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

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.

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 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

| | | |
|-------------------------|---|-----------------------|
| Leasehold property | - | 2% straight line |
| Furniture and equipment | - | 25% reducing balance |
| Computer equipment | - | 3 years straight line |

1.6 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.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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.

1.9 Operating leases

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

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

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

2. VOLUNTARY INCOME

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|------------------------------|--|--|---------------------------------------|---------------------------------------|
| Educational trips and visits | - | 12,340 | 12,340 | 7,903 |

3. ACTIVITIES FOR GENERATING FUNDS

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|------------------------------|--|--|---------------------------------------|---------------------------------------|
| Catering income | - | 31,563 | 31,563 | 41,165 |
| Services provided | - | 2,050 | 2,050 | - |
| School sales | - | 20,943 | 20,943 | 6,684 |
| Recharges and reimbursements | - | 686 | 686 | - |
| | - | 55,242 | 55,242 | 47,849 |

4. INVESTMENT INCOME

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---------------------|--|--|---------------------------------------|---------------------------------------|
| Short term deposits | - | 1,277 | 1,277 | 862 |

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--------------------------------|--|--|---------------------------------------|---------------------------------------|
| DfE/EFA revenue grants | | | | |
| General Annual Grant (GAG) | 1,755,527 | - | 1,755,527 | 1,663,493 |
| Capital Grants | 314,682 | - | 314,682 | 33,094 |
| Other DfE/EFA grants | 284,912 | - | 284,912 | 191,933 |
| | 2,355,121 | - | 2,355,121 | 1,888,520 |
| Other government grants | | | | |
| Local authority grants | 179,015 | - | 179,015 | 111,239 |
| | 179,015 | - | 179,015 | 111,239 |
| | 2,534,136 | - | 2,534,136 | 1,999,759 |

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

6. OTHER INCOMING RESOURCES

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|------------------------------------|--|--|---------------------------------------|---------------------------------------|
| Thurrock Primary Heads Association | 21,959 | - | 21,959 | - |
| | <u>21,959</u> | <u>-</u> | <u>21,959</u> | <u>-</u> |

7. GOVERNANCE COSTS

| | Restricted funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|-----------------------------------|--|--|---------------------------------------|---------------------------------------|
| Governance Internal audit costs | 1,770 | - | 1,770 | 450 |
| Governance Auditors' remuneration | 7,250 | - | 7,250 | 7,000 |
| Governance professional fees | - | - | - | 720 |
| | <u>9,020</u> | <u>-</u> | <u>9,020</u> | <u>8,170</u> |

8. DIRECT COSTS

| | Educational Operations £ | Total 2015 £ | Total 2014 £ |
|-------------------------|---|-----------------------------|-----------------------------|
| Educational supplies | 67,680 | 67,680 | 76,874 |
| Staff development | 27,889 | 27,889 | 15,231 |
| Educational consultancy | 13,149 | 13,149 | 1,515 |
| Other direct costs | 15,051 | 15,051 | 6,279 |
| Wages and salaries | 1,012,171 | 1,012,171 | 927,378 |
| National insurance | 60,714 | 60,714 | 59,794 |
| Pension cost | 95,259 | 95,259 | 95,227 |
| | <u>1,291,913</u> | <u>1,291,913</u> | <u>1,182,298</u> |

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

9. SUPPORT COSTS

| | Educational Operations £ | Total 2015 £ | Total 2014 £ |
|-----------------------------|--------------------------------|--------------------|--------------------|
| Net pension finance charge | 26,000 | 26,000 | 26,000 |
| Recruitment and support | 170 | 170 | 237 |
| Maintenance of premises | 88,918 | 88,918 | 59,446 |
| Cleaning | 26,282 | 26,282 | 29,424 |
| Rent and rates | 17,000 | 17,000 | 25,125 |
| Energy costs | 7,052 | 7,052 | 32,170 |
| Insurance | 25,608 | 25,608 | 18,424 |
| Security and transport | 2,371 | 2,371 | 376 |
| Catering | 93,424 | 93,424 | 71,125 |
| Bank interest and charges | 208 | 208 | - |
| Legal and professional fees | 55,905 | 55,905 | 18,577 |
| Other support costs | 13,423 | 13,423 | 6,822 |
| Wages and salaries | 161,840 | 161,840 | 143,048 |
| National insurance | 8,748 | 8,748 | 8,473 |
| Pension cost | 112,000 | 112,000 | 54,969 |
| Depreciation | 187,874 | 187,874 | 231,161 |
| | <u>826,823</u> | <u>826,823</u> | <u>725,377</u> |

10. RESOURCES EXPENDED

| | Staff costs 2015 £ | Non Pay Premises 2015 £ | Expenditure Other costs 2015 £ | Total 2015 £ | Total 2014 £ |
|------------------------------|--------------------------|----------------------------------|---|--------------------|--------------------|
| Direct costs | 1,168,144 | - | 123,769 | 1,291,913 | 1,182,298 |
| Support costs | 282,589 | 304,627 | 239,607 | 826,823 | 725,377 |
| Charitable activities | <u>1,450,733</u> | <u>304,627</u> | <u>363,376</u> | <u>2,118,736</u> | <u>1,907,675</u> |
| Governance | <u>-</u> | <u>-</u> | <u>9,020</u> | <u>9,020</u> | <u>8,170</u> |
| | <u>1,450,733</u> | <u>304,627</u> | <u>372,396</u> | <u>2,127,756</u> | <u>1,915,845</u> |

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Activities undertaken directly 2015 £ | Support costs 2015 £ | Total 2015 £ | Total 2014 £ |
|------------------------|---|-------------------------------|--------------------|--------------------|
| Educational Operations | <u>1,291,913</u> | <u>826,823</u> | <u>2,118,736</u> | <u>1,907,675</u> |

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

12. NET INCOME / (EXPENDITURE)

This is stated after charging:

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 187,874 | 231,161 |
| Auditors' remuneration | 7,250 | 7,000 |
| Governance Internal audit costs | 1,770 | 450 |
| Operating lease rentals: | | |
| - other operating leases | 3,200 | 1,867 |
| | <u>190,094</u> | <u>240,478</u> |

13. STAFF

a. Staff costs

Staff costs were as follows

| | 2015 £ | 2014 £ |
|-------------------------------|------------------|------------------|
| Wages and salaries | 1,127,231 | 1,062,779 |
| Social security costs | 69,463 | 68,267 |
| Other pension costs (Note 27) | 207,259 | 150,196 |
| | <u>1,403,953</u> | <u>1,281,242</u> |
| Supply teacher costs | 46,780 | 7,648 |
| | <u>1,450,733</u> | <u>1,288,890</u> |

b. Staff numbers

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

| | 2015 No. | 2014 No. |
|----------------------------|-------------|-------------|
| Teachers | 18 | 16 |
| Administration and support | 28 | 23 |
| Management | 3 | 3 |
| | <u>49</u> | <u>42</u> |

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

13. STAFF (continued)

c. Higher paid staff

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

| | 2015 | 2014 |
|-------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | <u>1</u> | <u>1</u> |

1 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £9,184 (2014: £8,877).

14. GOVERNORS' REMUNERATION AND EXPENSES

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as governors. The value of governors' remuneration and other benefits was as follows:

| | 2015 | 2014 |
|---------------------------------|--------------|--------------|
| | £'000 | £'000 |
| M Awolola | | |
| Remuneration | 45-50 | 40-45 |
| Employers pension contributions | 5-10 | 5-10 |
| D Copping | | |
| Remuneration | 65-70 | 60-65 |
| Employers pension contributions | 5-10 | 5-10 |
| J Casey | | |
| Remuneration | 5-10 | 5-10 |
| Employers pension contributions | 0-5 | 0-5 |
| V Lamberth | | |
| Remuneration | | 0-5 |
| Employers pension contributions | | 0-5 |

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

15. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2015 is included in the total insurance cost.

SHAW PRIMARY ACADEMY
(A company limited by guarantee)

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

16. OTHER FINANCE INCOME

| | 2015 £ | 2014 £ |
|--|-----------------|-----------------|
| Expected return on pension scheme assets | 23,000 | 18,000 |
| Interest on pension scheme liabilities | (49,000) | (44,000) |
| | <u>(26,000)</u> | <u>(26,000)</u> |

17. TANGIBLE FIXED ASSETS

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Assets under construction £ | Total £ |
|-----------------------|---|------------------------------------|----------------------------|--------------------------------------|------------------|
| Cost | | | | | |
| At 1 September 2014 | 2,458,000 | 576,121 | 130,189 | - | 3,164,310 |
| Additions | 327,548 | 9,894 | 9,123 | 178,598 | 525,163 |
| At 31 August 2015 | <u>2,785,548</u> | <u>586,015</u> | <u>139,312</u> | <u>178,598</u> | <u>3,689,473</u> |
| Depreciation | | | | | |
| At 1 September 2014 | 77,837 | 213,723 | 61,119 | - | 352,679 |
| Charge for the year | 51,295 | 90,847 | 45,732 | - | 187,874 |
| At 31 August 2015 | <u>129,132</u> | <u>304,570</u> | <u>106,851</u> | <u>-</u> | <u>540,553</u> |
| Net book value | | | | | |
| At 31 August 2015 | <u>2,656,416</u> | <u>281,445</u> | <u>32,461</u> | <u>178,598</u> | <u>3,148,920</u> |
| At 31 August 2014 | <u>2,380,163</u> | <u>362,398</u> | <u>69,070</u> | <u>-</u> | <u>2,811,631</u> |

18. DEBTORS

| | 2015 £ | 2014 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 3,190 | - |
| VAT recoverable | 51,427 | 71,846 |
| Prepayments and accrued income | 53,507 | 40,424 |
| | <u>108,124</u> | <u>112,270</u> |

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

19. CREDITORS:
Amounts falling due within one year

| | 2015 £ | 2014 £ |
|------------------------------------|----------------|---------------|
| Trade creditors | 145,382 | 6,878 |
| Other taxation and social security | 41,308 | 38,847 |
| Other creditors | - | 111 |
| Accruals and deferred income | 58,626 | 40,493 |
| | <u>245,316</u> | <u>86,329</u> |

Included in deferred income are grants for Universal Infants Free School Meals and Rates Relief received in advance of entitlement

| | £ |
|--------------------------------------|---------------|
| Deferred income | |
| Deferred income at 1 September 2014 | 33,518 |
| Resources deferred during the year | 24,592 |
| Amounts released from previous years | (33,518) |
| | <u>24,592</u> |
| Deferred income at 31 August 2015 | <u>24,592</u> |

20. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|------------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| Unrestricted funds | | | | | | |
| Unrestricted general funds | 384,840 | 68,859 | (231,424) | 138,000 | - | 360,275 |
| Restricted funds | | | | | | |
| General Annual Grant | 476,635 | 1,755,527 | (1,238,576) | (189,299) | - | 804,287 |
| Local Authority Grants | - | 179,015 | (179,015) | - | - | - |
| Other DfE/EFA Grants | - | 43,956 | (43,956) | - | - | - |
| Pupil Premium | 33,800 | 240,956 | (234,006) | - | - | 40,750 |
| Thurrock Primary Heads Association | - | 21,959 | (12,905) | - | - | 9,054 |
| Pension reserve | (810,000) | - | - | (62,000) | 22,000 | (850,000) |
| | <u>(299,565)</u> | <u>2,241,413</u> | <u>(1,708,458)</u> | <u>(251,299)</u> | <u>22,000</u> | <u>4,091</u> |

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

20. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

| | | | | | | |
|------------------------------|------------------|------------------|--------------------|------------------|---------------|------------------|
| Inherited Fixed Assets | 2,771,901 | - | (155,121) | - | - | 2,616,780 |
| EFA Capital Grants | 25,153 | 314,682 | (2,135) | - | - | 337,700 |
| Capital expenditure from GAG | 22,815 | - | (30,618) | 113,299 | - | 105,496 |
| | <u>2,819,869</u> | <u>314,682</u> | <u>(187,874)</u> | <u>113,299</u> | <u>-</u> | <u>3,059,976</u> |
| Total restricted funds | <u>2,520,304</u> | <u>2,556,095</u> | <u>(1,896,332)</u> | <u>(138,000)</u> | <u>22,000</u> | <u>3,064,067</u> |
| Total of funds | <u>2,905,144</u> | <u>2,624,954</u> | <u>(2,127,756)</u> | <u>-</u> | <u>22,000</u> | <u>3,424,342</u> |

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

Restricted general funds and other restricted funds

These relate to the Academy's development and operational activities.

Restricted fixed asset fund

These grants relate to capital funding to carry out works of a capital nature

Pension reserve

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme

GAG carry forward restriction

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

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|------------------------------|----------------------|-------------------------|-------------------------|-----------------------|----------------------|----------------------|
| General funds | 384,840 | 68,859 | (231,424) | 138,000 | - | 360,275 |
| Restricted funds | (299,565) | 2,241,413 | (1,708,458) | (251,299) | 22,000 | 4,091 |
| Restricted fixed asset funds | 2,819,869 | 314,682 | (187,874) | 113,299 | - | 3,059,976 |
| | <u>2,905,144</u> | <u>2,624,954</u> | <u>(2,127,756)</u> | <u>-</u> | <u>22,000</u> | <u>3,424,342</u> |

SHAW PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--|----------------------------------|---|------------------------------------|-----------------------------|-----------------------------|
| Tangible fixed assets | - | 3,148,921 | - | 3,148,921 | 2,811,632 |
| Current assets | 985,411 | 25,051 | 360,275 | 1,370,737 | 989,841 |
| Creditors due within one year | (131,320) | (113,996) | - | (245,316) | (86,329) |
| Provisions for liabilities and charges | (850,000) | - | - | (850,000) | (810,000) |
| | <u>4,091</u> | <u>3,059,976</u> | <u>360,275</u> | <u>3,424,342</u> | <u>2,905,144</u> |

22. TRANSFER BETWEEN FUNDS

Funds have been transferred in respect of the following;

£76,000 has been transferred from the restricted fund to the restricted reserve for employers LGPS contributions paid, on behalf of employees, from the General Annual Grant (GAG).

£113,299 has been transferred from the restricted fund to restricted fixed asset fund representing assets purchased using the GAG.

£62,000 of costs have been transferred from the unrestricted fund to restricted pension reserve representing the service cost and net finance charge of the LGPS.

23. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2015 £ | 2014 £ |
|---|----------------|----------------|
| Net incoming resources before revaluations | 497,198 | 140,528 |
| Returns on investments and servicing of finance | (1,277) | (862) |
| Depreciation of tangible fixed assets | 187,874 | 231,161 |
| Capital grants from DfE | (314,682) | (33,094) |
| Decrease/(increase) in debtors | 4,146 | (53,084) |
| Increase/(decrease) in creditors | 158,987 | (14,526) |
| FRS 17 adjustments | 62,000 | 20,000 |
| | <u>594,246</u> | <u>290,123</u> |
| Net cash inflow from operations | | |

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 2015 £ | 2014 £ |
|--|--------------|------------|
| Returns on investments and servicing of finance | | |
| Interest received | <u>1,277</u> | <u>862</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

| | 2015 £ | 2014 £ |
|---|------------------|-----------------|
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (525,163) | (69,477) |
| Capital grants from DfE | 314,682 | 33,094 |
| Net cash outflow capital expenditure | <u>(210,481)</u> | <u>(36,383)</u> |

25. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2014 £ | Cash flow £ | 31 August 2015 £ |
|---------------------------|-----------------------------|----------------|------------------------|
| Cash at bank and in hand: | 877,572 | 385,042 | 1,262,614 |
| Net funds | <u>877,572</u> | <u>385,042</u> | <u>1,262,614</u> |

26. CAPITAL COMMITMENTS

At 31 August 2015 the academy had capital commitments as follows:

| | 2015 £ | 2014 £ |
|---|----------------|-----------|
| Contracted for but not provided in these financial statements | <u>242,390</u> | <u>-</u> |

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 Essex County Council. Both are defined benefit schemes.

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

Contributions amounting to £19,966 were payable to the scheme at 31 August 2015 (2014 - £18,083) 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.

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

27. PENSION COMMITMENTS (continued)

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £155,271 (2014: £155,752).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £100,667, of which employer's contributions totalled £76,964 and employees' contributions totalled £23,703. The agreed contribution rates for future years are 12.3% for employers and 5.5% - 7.5% for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (continued)

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

| | Expected return at 31 August 2015 % | Fair value at 31 August 2015 £ | Expected return at 31 August 2014 % | Fair value at 31 August 2014 £ |
|-------------------------------------|--|---|--|---|
| Equities | 6.10 | 302,000 | 6.10 | 258,000 |
| Gilts | 3.00 | 19,000 | 3.00 | 26,000 |
| Other Bonds | 3.60 | 45,000 | 3.60 | 44,000 |
| Property | 5.10 | 54,000 | 5.10 | 47,000 |
| Cash | 2.90 | 11,000 | 2.90 | 11,000 |
| Alternative Assets | 3.60 | 33,000 | 3.60 | 16,000 |
| Total market value of assets | | <u>464,000</u> | | <u>402,000</u> |
| Present value of scheme liabilities | | <u>(1,314,000)</u> | | <u>(1,212,000)</u> |
| Deficit in the scheme | | <u><u>(850,000)</u></u> | | <u><u>(810,000)</u></u> |

For accounting year beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

Therefore we are not required to disclose an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 5.3% per annum, which has been used to determine the profit and loss change for the year ended 31 August 2015

The amounts recognised in the Balance sheet are as follows:

| | 2015 £ | 2014 £ |
|-------------------------------------|-------------------------|-------------------------|
| Present value of funded obligations | (1,314,000) | (1,212,000) |
| Fair value of scheme assets | <u>464,000</u> | <u>402,000</u> |
| Net liability | <u><u>(850,000)</u></u> | <u><u>(810,000)</u></u> |

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

| | 2015 £ | 2014 £ |
|----------------------------------|-------------------------|------------------------|
| Current service cost | (112,000) | (56,000) |
| Interest on obligation | (49,000) | (44,000) |
| Expected return on scheme assets | <u>23,000</u> | <u>18,000</u> |
| Total | <u><u>(138,000)</u></u> | <u><u>(82,000)</u></u> |
| Actual return on scheme assets | <u><u>20,000</u></u> | <u><u>38,000</u></u> |

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27. PENSION COMMITMENTS (continued)

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

| | 2015 £ | 2014 £ |
|--------------------------------------|------------------|------------------|
| Opening defined benefit obligation | 1,212,000 | 899,000 |
| Current service cost | 112,000 | 56,000 |
| Interest cost | 49,000 | 44,000 |
| Contributions by scheme participants | 24,000 | 19,000 |
| Actuarial (Gains)/losses | (25,000) | 194,000 |
| Benefits paid | (58,000) | - |
| | <u>1,314,000</u> | <u>1,212,000</u> |
| Closing defined benefit obligation | <u>1,314,000</u> | <u>1,212,000</u> |

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

| | 2015 £ | 2014 £ |
|-------------------------------------|----------------|----------------|
| Opening fair value of scheme assets | 402,000 | 279,000 |
| Expected return on assets | 23,000 | 18,000 |
| Actuarial gains and (losses) | (3,000) | 24,000 |
| Contributions by employer | 76,000 | 62,000 |
| Contributions by employees | 24,000 | 19,000 |
| Benefits paid | (58,000) | - |
| | <u>464,000</u> | <u>402,000</u> |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £242,000 (2014 - £264,000).

The academy expects to contribute £77,000 to its Defined benefit pension scheme in 2016.

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

| | 2015 | 2014 |
|--------------------|---------|---------|
| Equities | 65.00 % | 64.00 % |
| Gilts | 4.00 % | 6.00 % |
| Other Bonds | 10.00 % | 11.00 % |
| Property | 12.00 % | 12.00 % |
| Cash | 2.00 % | 11.00 % |
| Alternative Assets | 7.00 % | 4.00 % |

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

| | 2015 | 2014 |
|--------------------------------------|---------|---------|
| RPI increases | 3.40 % | 3.40 % |
| CPI increases | 2.50 % | 2.60 % |
| Salary increases | 4.30 % | 4.40 % |
| Pension increases | 2.50 % | 2.60 % |
| Discount rate | 3.90 % | 3.90 % |
| Commutation of pensions to lump sums | 60.00 % | 60.00 % |

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

27. PENSION COMMITMENTS (continued)

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

| | 2015 | 2014 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.8 | 22.7 |
| Females | 25.2 | 25.1 |
| Retiring in 20 years | | |
| Males | 25.1 | 24.9 |
| Females | 27.6 | 27.4 |

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

Defined benefit pension schemes

| | 2015 £ | 2014 £ | 2013 £ |
|--|-------------|-------------|-----------|
| Defined benefit obligation | (1,314,000) | (1,212,000) | (899,000) |
| Scheme assets | 464,000 | 402,000 | 279,000 |
| Deficit | (850,000) | (810,000) | (620,000) |
| Experience adjustments on scheme liabilities | 25,000 | (194,000) | (107,000) |
| Experience adjustments on scheme assets | (3,000) | 24,000 | 13,000 |

28. OPERATING LEASE COMMITMENTS

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

| | 2015 £ | 2014 £ |
|-----------------------|-----------|-----------|
| Expiry date: | | |
| Within 1 year | 3,200 | - |
| Between 2 and 5 years | - | 3,200 |

29. 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.

There were no related party transactions in the year.

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NOTES TO THE FINANCIAL STATEMENTS
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30. CONTROLLING PARTY

There is no ultimate controlling party.

31. MEMBERS' LIABILITY

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

32. RESOURCES HELD FOR A THIRD PARTY

Movement of resources held on behalf of the Thurrock Primary Heads Association were as follows:

| | |
|--------------------|---------|
| Resources received | £21,959 |
| Resources expended | £12,905 |

At the year end £9,054 cash at bank related to the Thurrock Primary Heads Association.