

**MATCHBOROUGH FIRST SCHOOL ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2015**



**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

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**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

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

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<b>Members</b>	Tracy Arlott Helen Baylis, Chair (appointed 8 September 2014) Sandra Checketts (resigned 7 December 2015)
<b>Trustees</b>	Elizah Barnes (appointed 1 September 2015) Matthew Clarke (appointed 4 December 2014) Alexandra Collins (resigned 10 December 2014) Mark Gladwin <sup>1,2</sup> Jackie Harris, Head Teacher <sup>1,2</sup> Lynne McDonnell (resigned 10 December 2014) Leanne Sankey (appointed 4 December 2014) Mark Stoneman (appointed 4 December 2014) Susan Watkins (resigned 31 July 2015) <sup>1</sup> Bryonie Williams (resigned 31 July 2015) <sup>1,2</sup> Jayne Woodward <sup>1</sup> Hayley Young <sup>1,2</sup>  <sup>1</sup> Full Governing Body <sup>2</sup> Resources Committee
<b>Company registered number</b>	08741704
<b>Principal and registered office</b>	Matchborough Way Matchborough East Redditch Worcestershire B98 0GD
<b>Accounting officer</b>	Jackie Harris
<b>Senior management team</b>	Jackie Harris, Headteacher Jayne Woodward, Deputy Head Kathy Clucas, Head of Literacy Bryonie Williams, Head of Early Years Annette Hawkesford, Head of Special Education Needs Anita Richmond, Bursar
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
<b>Bankers</b>	Lloyds Bank PO Box 1000 BX1 1LT
<b>Solicitors</b>	Mills & Reeve 78-84 Colmore Row Birmingham B3 2AB

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2015**

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The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 3 to 9 in Matchborough, Redditch. It has a pupil capacity of 386 and had a roll of 355 in the school census on 15 May 2015.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is a Company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

Three of the Trustees of Matchborough First School Academy are also the Directors of the Charitable Company for the purposes of Company law. The Charitable Company is known as Matchborough First School Academy.

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

**Members' liability**

Each member of the Charitable Company undertakes to contribute to the assets of the 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 they cease to be a member.

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £3,000,000.

**TRUSTEES**

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

On 1 November 2013 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 5 Parent Trustees
- Up to 2 Staff Trustees excluding the Headteacher
- Up to 2 Community Trustees
- The Headteacher

Trustees are appointed for a four year period, although this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**Policies and Procedures adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

**Organisational Structure**

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may, from time to time, establish Working Groups to perform specific tasks over a limited timescale.

There are 2 committees as follows;

- Resources Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an Audit Committee as well as personnel and premises.
- Curriculum and Ethos Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure; to appoint or remove the Chairman and/or Vice Chairman; to appoint the Headteacher and Clerk to the Trustees; to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, 2 Deputy Headteachers, Access and Inclusion Lead, Foundation stage leaders, Numeracy Lead and the Bursar. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, The SLT and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team (SLT) consists of the Headteacher, 2 Deputy Headteachers, Foundation stage leader, Access and Inclusion Lead, Numeracy Lead and the Bursar. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher and Academy bursar are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

The Headteacher is the Accounting Officer.

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**Connected Organisations, including Related Party Relationships**

The Academy is commissioned by LA to run a ten place language unit for children aged 4 – 9 and a pre-school language class of 9 full time equivalent for children aged 3 and 4.

There are no related parties which either control or significantly influence the decisions and operations of MFSA. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities between the ages of 3 – 9.

The aims of the Academy during the period ended 31 August 2016 for each child are to:

- Inspire learners to be enthusiastic and creative thinkers;
- Motivate learners to become confident, sociable and independent lifelong learners;
- Nurture an understanding of respect, responsibility and self-worth;
- Provide our young people with positive opportunities to develop a sense of community.

Furthermore, we aim to provide an environment that:

- Is safe, supportive, welcoming and accessible;
- Is challenging, dynamic and inclusive;
- Is well-resourced, organised and enabling, allowing everyone to think and be creative;
- Provides a range of exciting learning opportunities

As a Business we aim to:

- Continue to raise the standard of educational attainment and achievement of all pupils.
- Provide a broad and balanced curriculum, including extra-curricular activities;
- Develop children as more effective learners;
- Develop the Academy site so that it enables children to achieve their full potential;
- Ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- Maximise the number of children who achieve their age expected levels in English, Maths and other curriculum areas;
- Improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- Provide value for money for the funds expended;
- Develop greater coherence, clarity and effectiveness in school systems;
- Comply with all appropriate statutory and curriculum requirements;
- Develop the Academy's capacity to manage change;
- Conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.







At Matchborough First School Academy we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which all children, staff and parents should be part of; in this happy and caring environment.

**Objectives, Strategies and Activities**

Key priorities for the year are contained in our Academy School Improvement Plan which is available from the Academy Office. Improvement focuses identified for this year include:

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

			2015 - 2016 ACTIONS		
RAISING PUPIL ATTAINMENT AND ACHIEVEMENT		To raise attainment of all pupils	To further develop a new system for assessing Pupil Progress in English and Maths	To use and embed new baseline to track progress To embed new assessments for life without levels	To monitor pupils progress and identify under performing groups and target teachers to raise standards of achievement
QUALITY OF TEACHING AND LEARNING		To continue to improve the quality of both teaching and learning	To improve learning and teaching through developing a clear understanding of the new expectations for outstanding teaching	To improve even further the high % of outstanding teaching across the school through challenging teaching and appraisal targets.	
BEHAVIOUR AND SAFETY		To promote good behaviour and safety	To promote responsibility and respect and develop further pupils improving attitudes to learning	To further develop pupils positive contributions through pupil leadership (School Council) and pupil voice opportunities	Promote responsibility and respect for others
CURRICULUM DEVELOPMENT		To continue to offer a broad and balances curriculum based on the school's ethos of "Aim High and Smile"	To continue to monitor and review the input of the new National Curriculum <ul style="list-style-type: none"> <li>Long term plan</li> <li>History is mapped</li> </ul>	(Specifics)To improve standards and attainment in Science More children achieving mastery levels	To work towards obtaining the Artsmark Gold - summer 2016 - This an award that embraces all the creative arts
LEADERSHIP AND MANAGEMENT		To continue to develop the quality of leadership and management across the school	To further grow leadership from within <ul style="list-style-type: none"> <li>Focus on Continuing Professional Development for Early Years Leader</li> <li>National Qualification for Senior Leadership - Programme for our Numeracy Co-ordinator</li> </ul>	To secure accurate self-evaluation based on rigorous monitoring of teaching and pupil outcomes	Early Excellence - Indoor project - Principles into Practice - Further enhance our indoor provision for our little learners
LEARNING ENVIRONMENT AND PHYSICAL ENVIRONMENT		To further improve the use of outside grounds and building to improve the learning environment in line with available budgets	To provide appropriate learning spaces to meet the needs of the children.	To promote awareness of the environment, sustainable development and energy efficiency	To obtain the ECO Green Flag Award - summer 2016

Key activities and targets were identified in the Academy School Improvement Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The activities included the following:

- Review of numeracy, literacy and ICT capability.
- Review of staffing levels in the light of budgetary pressure.
- Further development of the intranet to support administration and communication.
- Development and embedding of key financial and administrative procedures arising from conversion.
- Continued development of systems for tracking and monitoring pupil attainment in the light of life without levels.
- Range of activities to promote community adhesion and support of other charities activities.

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Matchborough and the surrounding area. The Academy has supported the community through shared use of its facilities such as Rainbows, Family Support Worker events and holding the local PACT meetings.

**STRATEGIC REPORT**

**Achievements and Performance**

The Academy is in its first year of operation and the total number of children in the year ended 31 August 2015 was 365. The Academy is full in four year groups and has a waiting list in operation.

As a result of our popularity, an increase in the pupil admission number (PAN) happened in September 2014 from 60 to 90.

During 2014 the LA on behalf of the Academy completed the refurbishment of the former Children's Centre into 3 new classrooms and the construction of an additional teaching room in the Early Years area. This work was required due to the impending increase of the PAN from 60 to 90.

The Academy has managed to maintain small class sizes in Year 2 and 3 due to the specific nature and makeup of this co-hort.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the SLT.

The Academy was inspected by OFSTED in 2011 and was judged to be good, however in April 2014 we received an interim assessment to say that we would not be inspected before the summer term of 2015 following a review of our data.

**Reception Headlines:**

- In 2015 children in reception at MFSA have matched the 'Average points score' with the local authority.
- In 2014 the gap between our 'Good levels of development' and the local authority was 16; however we have narrowed the gap this year to 9.7 (excluding the specialist speech and language unit) and 10.9 for all pupils.
- The inclusion of children from the specialist speech and language unit impacts on overall performance.
- Individual children: 8 children with EAL.

1 child will be going to the specialist speech and language unit from September 2015.  
1 child is going to Special School  
2 children need to be a focus of intervention.

**Progress from entry:**

	Average points progress	APP girls	APP boys	APP FSM	APP EAL	APP SEN
Whole cohort	15.6	16.3	15	16	13	13
Butterflies	16	18	15	19	10	13
Dragonflies	16	15	17	16	18	17
ladybirds	15	15.5	14	12	12	9



# MATCHBOROUGH FIRST SCHOOL ACADEMY (A COMPANY LIMITED BY GUARANTEE)

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

### Achievement in KS1

SATs Results

These are our Year 2 (Key Stage 1) SATs Results for academic year 2014/15:

#### KS1 SATs Results 2015

The expected level for children at age seven (Year 2) is level 2:

Level 2+	Matchborough First School Academy All children inc Language Unit	Matchborough First School Academy Mainstream only	Local Authority
Reading	92%	93%	92%
Writing	94%	95%	90%
Maths	95%	96%	94%
Level 2B+	Matchborough First School Academy All children inc Language Unit	Matchborough First School Academy Mainstream only	Local Authority
Reading	87%	92%	83%
Writing	89%	84%	74%
Maths	89%	91%	83%
Level 3+	Matchborough First School Academy All children inc Language Unit	Matchborough First School Academy Mainstream only	Local Authority
Reading	33%	36%	34%
Writing	28%	32%	20%
Maths	28%	31%	27%

#### Year 1 Phonics Results 2015

	Matchborough First School Academy All children inc Language Unit	Matchborough First School Academy Mainstream only	Local Authority 2015
Phonics Screening	70%	79%	77.6%

### Achievement in Year 4

#### Year 4 Headlines:

- The cohort is made up of 58 children, 50% girls and 50% boys.
- All children have made 1 level of progress.
- All children have made good levels of progress of 8.5 points.
- This is a high performing cohort, with pupils achieving high levels in year 2.

#### Average points progress for matched pupils 2015 :

	APP matched pupils	APP Girls	APP Boys	2014	APP Boys	2011
Reading	8.4	9	8.5	8.8	8.9	8.9
Writing	8.5	8.3	8.6	9.2	8.3	8
Maths	8.5	8.5	8.3	10	8	8.3

Continuing professional development for staff has been very successful with 1 teacher undertaking NQML training and successfully completing this. We promoted from within an additional Deputy Headteacher and a Numeracy Lead from within and they are now an integral part of the senior leadership team.

The Academy has established close links with the other First Schools in our pyramid and across Redditch. We arrange a number of joint continued professional development. We also provide speech and language outreach to other nurseries/settings where the children in our Pre-School Language Class are also educated.

### Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Restricted Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2015, total expenditure of £1,613,137 was covered by recurrent grant funding from the DfE, together with other incoming resources of £1,707,718. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £94,581.

At 31 August 2015 the net book value of fixed assets was £3,079,072 and movements in fixed assets are shown in Note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, budget holders and other staff, as well as delegated authority for spending.

**Reserves Policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £160,000. 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 or a fall in pupil numbers. Total reserves of the academy amount to £3,244,463, although £3,079,072 of this is invested in fixed assets. The remaining £165,391 (representing both restricted and unrestricted funds, including the pension scheme deficit of £448,000) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- £100,000 towards the construction of the new school reception office completed in 2015
- £200,000 towards the construction of two additional classrooms

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income, whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the Academy Trust.

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

**Financial** - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 95% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** - the Academy has appointed a internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

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

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**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with other schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Academy School Improvement Plan, which is available on our website or from the Clerk to the Trustees.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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



**Helen Baylis  
Chair of Trustees**

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Matchborough First School 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 Matchborough First School 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 Trustees' Report and in the Trustees' Responsibilities Statement. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Tracy Arlott	4	5
Helen Baylis	5	5
Sandra Checketts	4	5
Matthew Clarke	4	4
Alexandra Collins	0	0
Mark Gladwin	5	5
Jackie Harris	4	4
Lynne McDonnell	3	4
Leanne Sankey	4	5
Mark Stoneman	4	5
Susan Watkins	5	5
Bryonie Williams	4	5
Jayne Woodward	5	5
Hayley Young	4	5

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Hayley Young	3	5
Sandra Checketts	4	5
Tracy Arlott	4	5
Mark Gladwin	5	5
Jackie Harris, Head Teacher	5	5
Bryonie Williams	4	5

**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.

**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 Matchborough First School 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.

**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 Finance and General Purposes 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 trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

The auditors' 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 termly basis, the auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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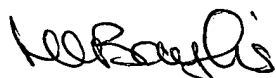
**REVIEW OF EFFECTIVENESS**

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 14 December 2015 and signed on its behalf, by:



**Helen Baylis**  
Chair of Trustees



**Jackie Harris**  
Accounting Officer

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Matchborough First School Academy I have considered my responsibility to notify the Academy Board of Trustees and the EFA 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.

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.

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.



**Jackie Harris  
Accounting Officer**

Date: 14.12.15



**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

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

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The Trustees (who act as governors of Matchborough First School Academy and are also the Directors of the Charitable Company for the purposes of Company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

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



**Helen Baylis  
Chair of Trustees**

**Date:** 14.12.15

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATCHBOROUGH FIRST SCHOOL  
ACADEMY**

We have audited the financial statements of Matchborough First School 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 TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Academy for the purposes of Company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 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 Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MATCHBOROUGH FIRST SCHOOL  
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 Companies Act 2006 requires us to report to you if, in our opinion:

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



Andrew Wood FCCA (Senior Statutory Auditor)  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB  
Date: 16<sup>th</sup> December 2015.

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
MATCHBOROUGH FIRST SCHOOL ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 31 July 2014 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 Matchborough First School 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 Matchborough First School Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Matchborough First School 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 Matchborough First School Academy and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF MATCHBOROUGH FIRST SCHOOL ACADEMY'S ACCOUNTING  
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Matchborough First School Academy's funding agreement with the Secretary of State for Education dated 1 November 2013, 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO  
MATCHBOROUGH FIRST SCHOOL ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

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**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.



Andrew Wood FCCA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

Date: *16<sup>th</sup> December 2015.*

**MATCHBOROUGH FIRST SCHOOL 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	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	10 months ending 31 August 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Transfer from Local Authority on conversion	2	-	-	-	-	3,013,765
Other voluntary income	2	2,120	-	-	2,120	150,886
Activities for generating funds	3	35,213	-	-	35,213	13,138
Investment income	4	657	-	-	657	279
Incoming resources from charitable activities		116,237	1,545,733	7,758	1,669,728	1,268,263
<b>TOTAL INCOMING RESOURCES</b>		<b>154,227</b>	<b>1,545,733</b>	<b>7,758</b>	<b>1,707,718</b>	<b>4,446,331</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities		83,947	1,434,887	85,933	1,604,767	1,225,562
Governance costs	6	-	8,370	-	8,370	7,887
<b>TOTAL RESOURCES EXPENDED</b>	9	<b>83,947</b>	<b>1,443,257</b>	<b>85,933</b>	<b>1,613,137</b>	<b>1,233,449</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>70,280</b>	<b>102,476</b>	<b>(78,175)</b>	<b>94,581</b>	<b>3,212,882</b>
Transfers between Funds	17	-	(75,432)	75,432	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>70,280</b>	<b>27,044</b>	<b>(2,743)</b>	<b>94,581</b>	<b>3,212,882</b>
Actuarial gains and losses on defined benefit pension schemes		-	(20,000)	-	(20,000)	(43,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>70,280</b>	<b>7,044</b>	<b>(2,743)</b>	<b>74,581</b>	<b>3,169,882</b>
Total funds at 1 September 2014		459,306	(371,239)	3,081,815	3,169,882	-
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>529,586</b>	<b>(364,195)</b>	<b>3,079,072</b>	<b>3,244,463</b>	<b>3,169,882</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 23 to 40 form part of these financial statements.

**MATCHBOROUGH FIRST SCHOOL ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 08741704**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	14		3,079,072		3,081,815
<b>CURRENT ASSETS</b>					
Debtors	15	117,784		87,190	
Cash at bank		698,711		568,331	
		<u>816,495</u>		<u>655,521</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	(203,104)		(151,454)	
<b>NET CURRENT ASSETS</b>			<u>613,391</u>		<u>504,067</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,692,463</u>		<u>3,585,882</u>
Defined benefit pension scheme liability	23		<u>(448,000)</u>		<u>(416,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u>3,244,463</u></u>		<u><u>3,169,882</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
General funds	17	83,805		44,761	
Fixed asset funds	17	3,079,072		3,081,815	
Restricted funds excluding pension liability		<u>3,162,877</u>		<u>3,126,576</u>	
Pension reserve		<u>(448,000)</u>		<u>(416,000)</u>	
Total restricted funds			<u>2,714,877</u>		<u>2,710,576</u>
Unrestricted funds	17		<u>529,586</u>		<u>459,306</u>
<b>TOTAL FUNDS</b>			<u><u>3,244,463</u></u>		<u><u>3,169,882</u></u>

The financial statements were approved by the trustees, and authorised for issue, on 14 December 2015 and are signed on their behalf, by:



**Helen Baylis**  
**Chair of Trustees**

The notes on pages 23 to 40 form part of these financial statements.

**MATCHBOROUGH FIRST SCHOOL ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Net cash flow from operating activities	19	<b>157,902</b>	270,593
Returns on investments and servicing of finance	20	<b>657</b>	279
Capital expenditure and financial investment	20	<b>(28,179)</b>	(158,717)
Cash transferred on conversion to an academy trust		-	456,176
<b>INCREASE IN CASH IN THE YEAR</b>		<b>130,380</b>	<b>568,331</b>

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

	<b>2015 £</b>	<b>2014 £</b>
Increase in cash in the year	<b>130,380</b>	568,331
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>130,380</b>	568,331
Net funds at 1 September	<b>568,331</b>	-
<b>NET FUNDS AT 31 AUGUST</b>	<b>698,711</b>	<b>568,331</b>

The notes on pages 23 to 40 form part of these financial statements.



**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

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

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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 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 FUND ACCOUNTING**

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

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.

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

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

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

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

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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.

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 GOING CONCERN**

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

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

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:

Long term leasehold property	-	2% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line
Leasehold land	-	over length of lease - 125 years

**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.

**MATCHBOROUGH FIRST SCHOOL ACADEMY  
(A COMPANY LIMITED BY GUARANTEE)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.8 PENSIONS**

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

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

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

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>10 months ending 31 August 2014 £</b>
Transfer from Local Authority on conversion	-	-	-	3,013,765
Donations	2,120	-	2,120	150,886
Voluntary income	2,120	-	2,120	3,164,651

**MATCHBOROUGH FIRST SCHOOL ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	10 months ending 31 August 2014 £
Lettings	1,965	-	1,965	523
Fees received	886	-	886	4,718
Catering profit share	27,347	-	27,347	-
Other	5,015	-	5,015	7,897
	<u>35,213</u>	<u>-</u>	<u>35,213</u>	<u>13,138</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	10 months ending 31 August 2014 £
Investment income	<u>657</u>	<u>-</u>	<u>657</u>	<u>279</u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	10 months ending 31 August 2014 £
Education	2,716	1,553,491	1,556,207	1,229,238
Nursery	113,521	-	113,521	39,025
	<u>116,237</u>	<u>1,553,491</u>	<u>1,669,728</u>	<u>1,268,263</u>

**MATCHBOROUGH FIRST SCHOOL ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>10 months ending 31 August 2014 £</b>
<b>DfE/EFA grants</b>				
Capital Grants	-	7,758	7,758	14,723
General Annual Grant	-	1,117,190	1,117,190	912,169
Other DfE/EFA grants	-	206,045	206,045	87,674
	<u>-</u>	<u>1,330,993</u>	<u>1,330,993</u>	<u>1,014,566</u>
<b>Other government grants</b>				
High Needs	-	202,933	202,933	149,321
Other government grants non capital	-	13,930	13,930	38,152
Other government grants: capital	-	-	-	5,580
	<u>-</u>	<u>216,863</u>	<u>216,863</u>	<u>193,053</u>
<b>Other funding</b>				
Internal catering income	2,393	-	2,393	21,410
Other	323	5,635	5,958	209
	<u>2,716</u>	<u>5,635</u>	<u>8,351</u>	<u>21,619</u>
	<u><u>2,716</u></u>	<u><u>1,553,491</u></u>	<u><u>1,556,207</u></u>	<u><u>1,229,238</u></u>

**6. GOVERNANCE COSTS**

	<b>Total funds 2015 £</b>	<b>10 months ending 31 August 2014 £</b>
Auditors' remuneration	6,525	6,525
Auditors' non audit costs	1,275	1,275
Clerk to Governors'	570	87
	<u>8,370</u>	<u>7,887</u>

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**7. DIRECT COSTS**

	<b>Total</b>	<b>10 months</b>
	<b>2015</b>	<b>ending 31</b>
	<b>£</b>	<b>August 2014</b>
		<b>£</b>
Pension finance costs	9,520	9,869
Educational supplies	58,255	35,280
Other costs	2,747	17,308
Supply teachers	18,646	8,896
Wages and salaries	558,678	459,436
National insurance	41,219	35,360
Pension cost	78,447	62,260
Depreciation	74,295	46,138
	<b>841,807</b>	<b>674,547</b>

**8. SUPPORT COSTS**

	<b>Total</b>	<b>10 months</b>
	<b>2015</b>	<b>ending 31</b>
	<b>£</b>	<b>August 2014</b>
		<b>£</b>
Pension finance costs	4,480	4,131
Other costs	69,799	68,072
Maintenance of premises and equipment	21,489	2,251
Cleaning	6,786	4,798
Rent and rates	9,327	5,737
Energy costs	15,774	13,216
Insurance	40,005	20,544
Security and transport	12,688	11,389
Catering	92,829	41,854
Technology costs	1,308	1,253
Office overheads	31,619	36,677
Legal and professional	325	200
(Profit) / Loss on disposal of fixed assets	-	2,093
Wages and salaries	365,770	280,751
National insurance	15,266	11,766
Pension cost	63,857	34,749
Depreciation	11,638	11,534
	<b>762,960</b>	<b>551,015</b>

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**9. RESOURCES EXPENDED**

	Staff costs	Premises	Other	Total	10 months ending August 2014
	2015 £	2015 £	2015 £	2015 £	2014 £
Direct costs	678,344	74,295	89,168	841,807	674,547
Support costs	444,893	66,422	251,645	762,960	551,015
<b>CHARITABLE ACTIVITIES</b>	<b>1,123,237</b>	<b>140,717</b>	<b>340,813</b>	<b>1,604,767</b>	<b>1,225,562</b>
<b>GOVERNANCE</b>	<b>570</b>	<b>-</b>	<b>7,800</b>	<b>8,370</b>	<b>7,887</b>
	<b>1,123,807</b>	<b>140,717</b>	<b>348,613</b>	<b>1,613,137</b>	<b>1,233,449</b>

**10. NET INCOMING RESOURCES**

This is stated after charging:

	2015 £	10 months ending 31 August 2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	85,933	57,672
Auditors' remuneration	6,525	6,525
Auditors' remuneration - non-audit	1,275	1,275
Operating lease rentals:		
- other operating leases	2,252	1,837

**11. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015 £	10 months ending 31 August 2014 £
Wages and salaries	906,372	731,378
Social security costs	56,485	47,126
Other pension costs (Note 23)	142,304	97,009
	<b>1,105,161</b>	<b>875,513</b>
Supply teacher costs	18,646	8,896
	<b>1,123,807</b>	<b>884,409</b>

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**11. STAFF (continued)**

**b. Staff numbers**

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

	<b>2015</b>	As restated
	<b>No.</b>	2014
		No.
Teachers	<b>16</b>	16
Support staff	<b>22</b>	22
Management	<b>1</b>	1
	<b>39</b>	39

**c. Higher paid staff**

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

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

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2015 employer's pension contributions for this staff member amounted to £9,258 (2014: £7,490).

**12. TRUSTEES' REMUNERATION AND EXPENSES**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff trustees 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 trustees. The value of trustees' remuneration, inclusive of defined benefit pension scheme contributions for the year ended 31 August 2015 (2014) was as follows: J Harris: remuneration £65,000-£70,000 (£60,000-£65,000), employer's pension contributions £5,000-£10,000 (£5,000-£10,000); J Woodward: remuneration £45,000-£50,000 (£45,000-£50,000), employer's pension contributions £5,000-£10,000 (£5,000-£10,000); S Headley: remuneration £NIL-5,000 (£NIL), employer's pension contributions £NIL (£NIL); E Barnes: remuneration £NIL-5,000 (£NIL), employer's pension contributions £NIL (£NIL); B Williams: remuneration £NIL (£40,000-£45,000), employer's pension contributions £NIL (£NIL-£5,000).

During the year retirement benefits were accruing to 4 trustees (2014: 4) in respect of defined benefit pension schemes.

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

Other related party transactions involving the trustees are set out in note 25.



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**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,470 (2014: £1,470). The cost of this insurance is included in the total insurance cost.

**14. TANGIBLE FIXED ASSETS**

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2014	3,032,623	73,632	33,232	3,139,487
Additions	67,511	8,584	7,095	83,190
At 31 August 2015	3,100,134	82,216	40,327	3,222,677
<b>DEPRECIATION</b>				
At 1 September 2014	45,833	2,608	9,231	57,672
Charge for the year	58,192	15,207	12,534	85,933
At 31 August 2015	104,025	17,815	21,765	143,605
<b>NET BOOK VALUE</b>				
At 31 August 2015	2,996,109	64,401	18,562	3,079,072
At 31 August 2014	2,986,790	71,024	24,001	3,081,815

**15. DEBTORS**

	2015 £	2014 £
Trade debtors	737	737
VAT recoverable	64,364	33,096
Other debtors	17,435	2,369
Prepayments and accrued income	35,248	50,988
	<u>117,784</u>	<u>87,190</u>

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>29,724</b>	30,473
Other taxation and social security	<b>15,258</b>	16,614
Other creditors	<b>17,023</b>	16,215
Accruals and deferred income	<b>141,099</b>	88,152
	<u><b>203,104</b></u>	<u>151,454</u>

**DEFERRED INCOME**

	<b>£</b>
Deferred income at 1 September 2014	<b>32,601</b>
Resources deferred during the year	<b>36,581</b>
Amounts released from previous years	<b>(32,601)</b>
Deferred income at 31 August 2015	<u><b>36,581</b></u>

At the balance sheet date the Academy was holding funds received in advance for income from the EFA in respect of Free School Meals.

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**17. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	459,306	154,227	(83,947)	-	-	529,586
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	44,761	1,115,070	(1,000,594)	(75,432)	-	83,805
Universal infant free school meals	-	62,710	(62,710)	-	-	-
High needs funding	-	211,938	(211,938)	-	-	-
Donations	-	746	(746)	-	-	-
Pupil premium	-	143,335	(143,335)	-	-	-
Other restricted funds	-	11,934	(11,934)	-	-	-
Pension reserve	(416,000)	-	(12,000)	-	(20,000)	(448,000)
	(371,239)	1,545,733	(1,443,257)	(75,432)	(20,000)	(364,195)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	2,861,388	-	(68,419)	-	-	2,792,969
Fixed assets purchased from GAG and other restricted funds	58,143	-	(11,493)	75,432	-	122,082
DfE/EFA Capital grants	14,159	7,758	(3,058)	-	-	18,859
Donation from the LA	148,125	-	(2,963)	-	-	145,162
	3,081,815	7,758	(85,933)	75,432	-	3,079,072
Total restricted funds	2,710,576	1,553,491	(1,529,190)	-	(20,000)	2,714,877
Total of funds	3,169,882	1,707,718	(1,613,137)	-	(20,000)	3,244,463

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

**RESTRICTED FUND**

General Annual Grant (GAG) - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Universal Infant Free School Meals (UIFSM) - Funding for pupils in reception, year 1 and year 2 to be offered a free school meal.

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

High Needs Funding - funding received from to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the EFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Other restricted funds - represents other income received with restrictions.

Pension reserve - this represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

**FIXED ASSET FUND**

Fixed assets transferred on conversion - this represents the buildings and equipments donated to the school from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG - this represents fixed assets which were funded from general GAG funding. Resources expended represents depreciation charged on these assets for the period ended 31 August 2015.

DfE/EFA grants - these funds were received for direct expenditure on fixed asset projects. The balance at the period end represents the NBV of assets and any unspent grant amounts.

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**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
General funds	459,306	154,227	(83,947)	-	-	529,586
Restricted funds	(371,239)	1,545,733	(1,443,257)	(75,432)	(20,000)	(364,195)
Restricted fixed asset funds	3,081,815	7,758	(85,933)	75,432	-	3,079,072
	<u>3,169,882</u>	<u>1,707,718</u>	<u>(1,613,137)</u>	<u>-</u>	<u>(20,000)</u>	<u>3,244,463</u>

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

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	10 months ending 31 August 2014 £
Tangible fixed assets	-	-	3,079,072	3,079,072	3,081,815
Current assets	529,586	192,105	94,804	816,495	655,521
Creditors due within one year	-	(108,300)	(94,804)	(203,104)	(151,454)
Pension scheme liability	-	(448,000)	-	(448,000)	(416,000)
	<u>529,586</u>	<u>(364,195)</u>	<u>3,079,072</u>	<u>3,244,463</u>	<u>3,169,882</u>

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

	2015 £	10 months ending 31 August 2014 £
Net incoming resources before revaluations	94,581	3,212,882
Returns on investments and servicing of finance	(657)	(279)
Net assets transferred on conversion	-	(3,013,765)
Depreciation of tangible fixed assets	85,933	57,672
Deficit on disposal of tangible fixed assets	-	2,093
Capital grants from DfE	(7,758)	(14,723)
Increase in debtors	(30,594)	(87,190)
Increase in creditors	4,397	103,903
Defined benefit pension scheme adjustments	12,000	10,000
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u>157,902</u>	<u>270,593</u>

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

	2015 £	10 months ending 31 August 2014 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	<u>657</u>	<u>279</u>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(35,937)	(173,440)
Capital grants from DfE	7,758	14,723
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<u>(28,179)</u>	<u>(158,717)</u>

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

	1 September 2014 £	Cash flow £	31 August 2015 £
Cash at bank and in hand:	568,331	130,380	698,711
<b>NET FUNDS</b>	<b>568,331</b>	<b>130,380</b>	<b>698,711</b>

**22. CAPITAL COMMITMENTS**

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

	2015 £	2014 £
Contracted for but not provided in these financial statements	16,878	-

**23. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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**23. PENSION COMMITMENTS (continued)**

- 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 £79,815.

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 £39,119, of which employer's contributions totalled £25,438 and employees' contributions totalled £13,681. The agreed contribution rates for future years are 16% for employers and 5.6% 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.

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**23. PENSION COMMITMENTS (continued)**

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.50	112,000	7.00	50,000
Bonds	3.60	8,000	3.80	4,000
Cash	0.50	4,000	0.50	1,000
Other	6.50	1,000	-	-
Total market value of assets		<u>125,000</u>		<u>55,000</u>
Present value of scheme liabilities		<u>(573,000)</u>		<u>(471,000)</u>
(Deficit)/surplus in the scheme		<u><u>(448,000)</u></u>		<u><u>(416,000)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(573,000)	(471,000)
Fair value of scheme assets	<u>125,000</u>	<u>55,000</u>
Net liability	<u><u>(448,000)</u></u>	<u><u>(416,000)</u></u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(55,000)	(39,000)
Interest on obligation	(19,000)	(15,000)
Expected return on scheme assets	<u>5,000</u>	<u>1,000</u>
Total	<u><u>(69,000)</u></u>	<u><u>(53,000)</u></u>

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

	2015 £	2014 £
Opening defined benefit obligation	471,000	-
Current service cost	55,000	39,000
Interest cost	19,000	15,000
Contributions by scheme participants	14,000	11,000
Actuarial Losses	14,000	43,000
Liability transferred on conversion	-	363,000
Closing defined benefit obligation	<u><u>573,000</u></u>	<u><u>471,000</u></u>



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**23. PENSION COMMITMENTS (continued)**

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

	<b>2015</b>	2014
	£	£
Opening fair value of scheme assets	<b>55,000</b>	-
Expected return on assets	<b>5,000</b>	1,000
Actuarial gains and (losses)	<b>(6,000)</b>	-
Contributions by employer	<b>57,000</b>	43,000
Contributions by employees	<b>14,000</b>	11,000
	<b>125,000</b>	55,000

The Academy expects to contribute £58,000 to its Defined Benefit Pension Scheme in 2016.

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

	<b>2015</b>	2014
Equities	<b>89.30 %</b>	92.30 %
Bonds	<b>6.10 %</b>	6.50 %
Cash	<b>1.00 %</b>	1.20 %
Other	<b>3.60 %</b>	-

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

	<b>2015</b>	2014
Discount rate for scheme liabilities	<b>4.00 %</b>	4.00 %
Rate of increase in salaries	<b>3.80 %</b>	3.70 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.20 %
Inflation assumption (CPI)	<b>2.30 %</b>	2.20 %

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

	<b>2015</b>	2014
Retiring today		
Males	<b>23.4</b>	23.3
Females	<b>25.8</b>	25.7
Retiring in 20 years		
Males	<b>25.6</b>	25.5
Females	<b>28.1</b>	28.0

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**23. PENSION COMMITMENTS (continued)**

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(573,000)	(471,000)
Scheme assets	125,000	55,000
Deficit	<u>(448,000)</u>	<u>(416,000)</u>
Experience adjustments on scheme liabilities	(14,000)	(43,000)
Experience adjustments on scheme assets	<u>(6,000)</u>	<u>-</u>

**24. OPERATING LEASE COMMITMENTS**

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

	2015 £	2014 £
<b>EXPIRY DATE:</b>		
Within 1 year	148	-
Between 2 and 5 years	2,104	1,837
After more than 5 years	<u>-</u>	<u>415</u>

**25. RELATED PARTY TRANSACTIONS**

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

No related party transactions took place in the period of account (2014: £NIL).