

Townfield Primary School
(A Company Limited by Guarantee)

Report and Financial Statements

Period Ended

31 August 2015

Company Number 09119526

THURSDAY



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Townfield Primary School

Report and financial statements for the period ended 31 August 2015

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Townfield Primary School

Reference and Administrative Details for the period ended 31 August 2015

Members

Edward Behan
Janet Taylor
Paul Natton
Judith Roach

Trustees

Mrs K Lee
Mr J Moorhead
Mr N Court
Mrs A Shillinglaw
Dr D France
Mrs L Carroll
Mr D Stitcher
Mrs L Kelly
Mr T McDonough
Mrs K Griffiths
Mrs D McGregor
Mr M Thomas
Mrs A Pook

Company Secretary

Miss M Anderson

Company Registration Number

09119526
(England and Wales)

Principle and Registered Office

Townfield Primary School
Townfield Lane
Prenton
CH43 2LH

Independent Auditor

BDO LLP
5 Temple Square
Temple Street
Liverpool
L2 5RH

Bankers

Lloyds Bank,
WIRRAL
BIRMINGHAM OSC 4
ARIEL HOUSE
2138 COVENTRY ROAD
SHELDON
B26 3JW

Solicitors

Hill Dickinson
No.1 St. Pauls Square
Liverpool
L3 9SJ

Townfield Primary School

Trustees' Report for the year ended 31 August 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 October 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Wirral. It has a pupil capacity of 426 and had a roll of 434 in the school census on 21 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. The trustees of Townfield Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Townfield Primary School.

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

Members' Liability

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

Trustees' Indemnities

There have been no third party indemnity provisions during the financial year.

Method of Recruitment and Appointment or Election of Trustees

The Members (listed on page 1) may appoint up to 17 Governors and may appoint Staff Governors through such process as they may determine.

The total number of Governors (including the headteacher) who are employees of the Academy Trust shall not exceed one third of the total number of Governors.

Subject to Article 57, Parent Governors shall be elected by parents of registered pupils at the academy. A Parent Governor must be a parent of a pupil at the academy at the time when he is elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

Townfield Primary School

Trustees' Report for the period ended 31 August 2015

In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

When seeking to recruit new trustees the members will meet to discuss the skills gaps within the existing Governing Body and recruit someone with the skills to fill any such gaps.

Policies and Procedures Adopted for the Induction and Training of Trustees

Any new Trustee is met prior to the first meeting by one of the Members. They are given a governor induction pack containing lots of useful information about the school including key documents such as the 'Articles of Association'. They are asked to complete a skills analysis and any further training needs discussed. Governors receive regular training on financial management and governor legislation. Other training is provided such as safer recruitment and safeguarding training specifically to those who require it for duties undertaken as part of their role. Any additional training needs can be discussed with the Clerk to Governors.

Organisational Structure

Governing Body/Trustees

The governing body has overall responsibility for administration of the Academy's finances. The main financial responsibilities of the governing body are prescribed in the Funding Agreement between the Academy and the DfE. The main responsibilities include:

- Ensure the grant from the DfE and other Restricted funding is used for the purposes intended;
- Approval of the annual budget and any material changes;
- Ensure a Scheme of Delegation is in place;
- Ensure assets are managed;
- Ensure accurate accounting records are maintained;
- Ensure the budget monitoring statements are a true and accurate record on income and expenditure;
- Approval of the Annual Statutory Account.

Finance Committee

The main financial responsibilities of the Finance Committee are detailed in their terms of Reference, these include:

- Initial review and recommendation to the Governing Body of the annual budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation;
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the governing body;
- To review the financial policies of the academy and where necessary make recommendations to the GB.

Head Teacher (Accounting Officer)

The Head Teacher has overall executive responsibility for the Academy. The Head Teacher retains responsibilities for:

- Approving new staff appointments within the authorised establishment;
- Authorising contracts up to the amount stated in the Scheme of Delegation, reporting these decisions to the Finance Committee;
- Signing cheques as detailed in the scheme of delegation;
- Debit Card Holder;
- On-Line Banking & BACS Authorisation.

Townfield Primary School

Trustees' Report for the period ended 31 August 2015

The funding agreement identified the Head Teacher as the Accounting Officer who is personally responsible to the governing body for;

- Ensuring regularity and propriety
- Prudent and economic administration
- Avoidance of waste and extravagance
- Efficient and effective use of available resources; and
- The day to day organisation, staffing and management of the academy.

The Accounting Officer has the duty to take action if the Governing Body or Chairman is contemplating a course of action, which he or she considers an infringement of propriety or regularity. Objections should be put in writing to the governing body details sent to the Permanent Secretary and the academy's external auditors.

The Accounting Officer may delegate, or appoint others to assist in these responsibilities.

School Business Manager (Chief Financial Officer)

The School Business Manager works in close collaboration with the Head Teacher through whom he is responsible to the governors. The School Business Manager also has direct access to the Governors via the Finance Committee. The main responsibilities of the School Business Manager are;

- The day to day management of financial issues including the establishment and operation of suitable accounting systems;
- The management of academy's financial position at strategic and operational level;
- The maintenance of effective systems of internal control;
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy;
- Preparation of monthly management accounts;
- Ensuring forms and returns are sent to the DfE in line with their reporting deadlines;
- Signing cheques / authorising BACs in accordance with the Bank Mandates;
- Liaison with payroll, preparation of staff claims and reconciliation of payroll data from the Academy's payroll service provider;
- Management of the Academy's Service Level Agreements;
- Authorising orders and the award of contracts up to the amount stated in the Scheme of Delegation;
- Signing cheques as detailed in the scheme of delegation;
- Debit Card Holder;
- On-Line Banking & BACS Authorisation.

Responsible Officer

Checks and balances need to be put in place to ensure that the financial management arrangements within the Academy are monitored. The DfE (Department for Education) recommends a Responsible Officer (RO) is appointed to fulfil this role. The Academy Trustees will act jointly as the Responsible Officers.

The Responsible Officer is intended to provide an independent oversight of the Academy's financial affairs. The main duties of the RO are to provide the governing body within on-going independent assurance that:

- The financial responsibilities of the governing body are being properly discharged;
- Resources are being managed in an efficient; economic and effective manner;
- Sound systems of internal financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

The Governing Body appointed Mrs Williams from the local Authority LMS Team (former Bursar of the school) in September 2014 for a 1-year period to act as an external body to independently undertake the duties of the Responsible Officer. A programme of checks will be agreed with the governing body and Mrs Williams will carry out financial reviews in order to provide the governing body and indirectly the Department for Education with the required assurance. These reviews will be undertaken termly.

Townfield Primary School

Trustees' Report for the period ended 31 August 2015

The RO will undertake the checks and balances in line with the recommendations shown in the Financial Handbook.

General areas for review will cover the following:

- Review that bank reconciliations have been carried out each month.
- Review of monthly payroll to ensure that any changes have been appropriately authorised and agreed (refer to Finance and Personnel committee minutes)
- Check sample orders to delivery notes and invoices to ensure that the documentation is complete and has been appropriately checked and authorised.
- Check of sample payments back to invoices, orders and delivery notes to confirm they are bona fide purchases.
- Review a sample of expense claims to ensure the appropriate documentation to support the claim and that the claim is appropriately authorised.
- Review returns to Department for Education to ensure the information supplied is consistent with the underlying records and internal management reports.
- Carry out spot checks of petty cash balances and supporting vouchers
- Review all major contracts and ensure formal tender procedures exist and are being followed.

Mrs Williams will produce a full report after each RO visit to the Academy's members who will personally report findings of each visit to the Finance Committee and these will be reported back to the Governing Body.

Finance Administrator

The Finance Administrator works in close collaboration with and is directly responsible to the School Business Manager. The main responsibilities include;

- Day to day running of School Cash Office
- Cash collection
- Weekly banking
- Order and invoice processing

Deputy Head Teacher

The Deputy Head Teacher will assume the financial responsibilities if the Head Teacher is absent.

Connected Organisations including Related Party Relationships

Townfield Primary school manages a subsidiary company called Townfield Extended Day Scheme (TEDS) that is its own registered company and charity. TEDS is a registered pre-school for 2 to 4 year olds and also offers a breakfast and after school club. TEDS operates on the same site as the Academy.

Objectives and Activities

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy).

Objects and Aims

- (a) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts in the name of the Academy Trust;
- (b) to raise funds and to invite and receive contributions provided that in raising funds the Academy Trust shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;
- (c) to acquire, alter, improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property;

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Trustees' Report for the period ended 31 August 2015 (*continued*)

- (d) subject to Article 6 below to employ such staff, as are necessary for the proper pursuit of the Object and to make all reasonable and necessary provision for the payments of pensions and superannuation to staff and their dependants;
- (e) to establish or support, whether financially or otherwise, any charitable companies, trusts, associations or institutions formed for all or any of the Object;
- (f) to co-operate with other charities, other independent and maintained schools, schools maintained by a local authority, voluntary bodies and statutory authorities operating in furtherance of the Object and to exchange information and advice with them;
- (g) to pay out of funds of the Academy Trust the costs, charges and expenses of and incidental to the formation and registration of the Academy Trust;
- (h) to establish, maintain, carry on, manage and develop the Academy at Townfield Lane, Prenton, CH43 2LH;
- (i) to offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils;
- (j) to provide educational facilities and services to students of all ages and the wider community for the public benefit;
- (k) to carry out research into the development and application of new techniques in education in particular in relation to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experience of industry, commerce, other schools and the voluntary sector to the education of pupils in academies;
- (l) subject to such consents as may be required by law and/or by any contract entered into by or on behalf of the Academy Trust to borrow and raise money for the furtherance of the Object in such manner and on such security as the Academy Trust may think fit;
- (m) to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Object (but to invest only after obtaining such advice from a financial expert as the Governors consider necessary and having regard to the suitability of investments and the need for diversification);
- (n) to delegate the management of investments to a financial expert, but only on terms that:
 - (i) the investment policy is set down in writing for the financial expert by the Governors;
 - (ii) every transaction is reported promptly to the Governors;
 - (iii) the performance of the investments is reviewed regularly with the Governors;
 - (iv) the Governors are entitled to cancel the delegation arrangement at any time;
 - (v) the investment policy and the delegation arrangement are reviewed at least once a year;
 - (vi) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Governors on receipt; and
 - (vii) the financial expert must not do anything outside the powers of the Governors.
- (o) to arrange for investments or other property of the Academy Trust to be held in the name of a nominee company acting under the control of the Governors or of a financial expert acting under their instructions, and to pay any reasonable fee required;

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Trustees' Report for the period ended 31 August 2015 (continued)

(p) to provide indemnity insurance to Governors in accordance with, and subject to the conditions of section 232 to 235 of the Companies Act 2006, section 189 of the Charities Act 2011 or any other provision of law applicable to charitable companies and any such indemnity is limited accordingly;

(q) to establish subsidiary companies to carry on any trade or business for the purpose of raising funds for the Academy Trust;

(r) to do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the Object.

Objectives, Strategies and Activities

The three main objectives during this financial year for the academy were to improve achievement in Science and Writing and to promote values and attitudes to the children, which were all achieved. From a financial perspective the aim was to ensure a smooth transition from a community school to an academy and to ensure a healthy surplus budget was in place to cover the event of any unlikely unforeseen costs during the first year as an academy.

Public Benefit

The trustees are fully aware of the charities purpose and have complied with the their duty to regard public benefit asset out in the guidance by the Charity Commission.

Strategic Report

Achievements and Performance

The academy continues to be heavily oversubscribed with over 150 applications for 60 places last year. The academy has achieved a band 1 status from the Local Authority for its academic performance and has started to support other under performing schools. The academy secured a significant amount of capital funding shortly after converting from a community school to carry out work on the roof to improve energy efficiency. Funding has also been secured for a new outside classroom that can be used when learning in our wooded area or on the field. Key stage one SATS results in all areas for level 2+, 2b+ and level 3 are all in line or above national and local averages from the previous year and have all increased or stayed the same as last year. Progress of all children in the school continues to be higher than the national average.

Key Performance Indicators

In its first year the academy has secured a healthy surplus, greater than that originally projected. The Governors understand the need to manage cash flow and keep reserves for unforeseen circumstances. The academy continues to be one of the most oversubscribed schools on the Wirral with over 150 parents/carers selecting Townfield Primary within their list of choices. The academy has been given a band 1 by the Local Authority (LA) grade and has an attendance percentage of 96%. Key stage results in almost all areas are above local and national averages and progress is excellent.

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.

Financial Review

The board of trustees is happy that the Academies finances are healthy and the first year as an Academy has been a success. A budget for the following financial year has been set without the use of any of the Academies generous surplus. As a new academy the trustees have adopted a new set of financial policies and procedures

Townfield Primary School

Trustees' Report for the period ended 31 August 2015 (*continued*)

covering all financial activity of the Academy. The Academies principal source of funding comes from the Education funding Agency (EFA) in the form of the General Annual Grant (GAG). Other Income from the EFA such as Pupil Premium, Infant Free School Meals and the Education Services Grant (ESG) also help significantly to contribute to the overall income the Academy receives. Just under 70% of the Academies expenditure is used on staffing resources to ensure the best possible staff are employed and retained to meet the trustees objective to advance the education of the children enrolled at the Academy. Other expenditure is used to ensure the working environment for stakeholders is maintained and developed to get the best learning potential, where people feel happy and safe. The trusts policy is to keep a level of reserves that accounts for in year cashflow variations and any potential unexpected expenditure, although the academies insurance is likely to cover most of these incidents. Any reserve above the agreed level is to be spent in the best, agreed way to enhance the trusts objective for the children at the Academy in the year the additional reserves relate to. With regards to investment, at present it is the Trusts policy that the Academy will not make any investments. This is to be regularly reviewed but will not change without the trusts agreement.

Reserves Policy

It has been agreed that the Academies reserve will be £100,000 and will remain in the Academies main bank account to cover in year cashflow variances, within this figure there is also reserves to cover unexpected costs such as redundancy and ill health retirement that the Academy was previously covered for by the Local Authority (LA). The reserve in place is unrestricted funds so can therefore be used under any circumstance.

Investment Policy

The trust of the Academy establishes and regularly reviews the Investment Policy. As explained above, the Academy trust does not currently invest any of its reserve funds.

Principal Risks and Uncertainties

The board of trustees can confirm that risks to the Academy have been identified in the form of a risk register and where necessary steps have been taken to reduce the risks identified. Risks will be reviewed at least annually but will be referred to if any significant internal or external factors change. From the initial review the main areas of risk established are summarised in the following headings;

- Strategic and reputational risks
- Operational risks
- Compliance risks
- Financial risks

Of the risks currently established the board are happy to confirm that none of the risks identified currently pose a significant risk to the Academy.

Plans for Future Periods

Once a year the Members of the Academy meet to discuss the vision both medium and long term for the Academy, which is then fed back to the trust. In the short term the Academy is due an Ofsted inspection where the aim and expectation is for the Academy to be assessed as 'Outstanding'. This outcome has a significant impact on the long-term vision of the trust to become a multi academy trust (MAT) and teaching school.

The management team with the support of the trust have started research into becoming a teaching school and have begun to look at the application process. Arrangements are also in place to support a number of other local schools across Wirral and Cheshire. Members of the Senior Leadership Team will also apply to be Specialists Leaders of Education (SLE).

The Academy also has an application ready to submit to the EFA for capital funding to improve the physical infrastructure the school, with an outcome due early next year.

Funds Held as Custodian Trustee on Behalf of Others

No funds are held as custodian on behalf of others.

Townfield Primary School

Trustees' Report for the period ended 31 August 2015 (*continued*)

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

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

Edward Behan
Trustee



Townfield Primary School

Governance Statement for the year ended 31 August 2015

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Townfield Primary School 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 headteacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Townfield Primary School 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 Statement of Trustees' Responsibilities. The board of trustees has formally met four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr E Behan	3	4
Mrs K Lee (Headteacher and accounting officer)	4	4
Miss J Taylor	4	4
Mr P Natton	4	4
Mr T McDonough	2	4
Mrs J Roach	3	4
Mrs L Kelly	3	4
Mrs L Carroll	3	4
Mrs K Griffiths	2	4
Mr J Moorhead	3	4
Mr M Thomas (Resigned July 2015)	3	4
Mr N Court	4	4
Mrs A Shillinglaw	2	4
Mr D Stitcher	4	4
Mrs A Pook (Resigned January 2015)	1	2
Dr D France	0	4
Mrs D McGregor (Resigned October 2014)	0	0

Since the date of conversion three trustees have resigned from their position. The Members of the academy have not felt it necessary to replace these trustees, as there are adequate skills within the existing trustees.

The biggest challenge that has arisen this year for the board is the lack of hall space required for a school of our size. The current hall is inadequate for the needs of the school for many reasons. Firstly, lunchtimes have had to be extended due to the introduction of free school meals as the current hall can't cope with the additional children having hot dinners. The Academy is also unable to have full school assemblies or hold productions as the hall is too small. A funding application was made unsuccessfully to the EFA for capital funding for a new hall which has been a setback but the academy will apply again this year.

Governance reviews:

As a new convertor Academy the trust has undertaken a governance self-assessment that has been submitted to the EFA, the self-assessment found a few key areas to address including;

- The need to establish an Investment Policy
- A need for a Risk Register

Townfield Primary School

Governance Statement for the year ended 31 August 2015 (*continued*)

- The requirement for a more robust Business Continuity Plan
- Pecuniary Interests of the board to be published on the Academy website
- The need to establish an Audit committee

All the above points have since been addressed and the trust are happy that as a result of completing the Risk Register they are now more acutely aware of any potential risks and are able to consider these when making strategic decisions. The Business Continuity Plan has given the trust piece of mind in that in the unlikely event an established or unknown risk materialises there is a policy in place to manage the situation and continue to meet the objective.

The board have also recently appointed a competent person to independently assess the Governance of the Academy who will audit financial governance, policy and procedure, selecting a different area to audit each term. Findings will be fed back to the trustees. The first review is due to take place imminently.

A self-assessment will also be undertaken annually to establish any further potential areas of improvement.

The finance committee is a sub-committee of the main board of trustees. Its purposes include:

- Initial review and recommendation to the trust of the annual budget;
- Regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DfE guidance issued to academies;
- Authorising the award of contracts up to the amount stated in the Scheme of Delegation;
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the governing body;
- To review the financial policies of the academy and where necessary make recommendations to the trust.

No particular issues have arisen during this accounting period.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr E Behan	2	3
Mrs K Lee	3	3
Mr N Court	3	3
Mr J Moorhead	3	3
Mr P Natton	1	3

As a recommendation following the governance self-assessment, the finance committee were appointed to be the audit committee also as a sub-committee of the main board of trustees. However the Members of the Academy have since taken a decision to trial a new format for meetings from September 2015 where by the trust will all meet once a month to discuss all areas that were previously split down in to sub committees. Finance and Audit are both standard agenda items that are discussed at each meeting.

Review of Value for Money

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

Townfield Primary School

Governance Statement for the period ended 31 August 2015 (*continued*)

- Reducing SLA fees with the local authority by taking some of the roles such as facilities management and HR support in house.
- The use of charge cards to purchase items online when there is a significant saving against catalogues.
- The contracting out of the school cleaners to reduce management time and also lower costs.
- The appointment of HR Manager and Premises manager to gain better control of these areas whilst saving costs for advice from third parties.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 Townfield Primary School for the period 01 October 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 trust 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 01 October 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Mrs Williams, who is AAT qualified as internal auditor to complete the work of the responsible officer on behalf of the trustees who collectively have been give the role of the Responsible Officers. In addition to this the trustees have appointed BDO to complete the annual external audit of the Academy accounts.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the 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. As previously mentioned the role has only recently been established and the first findings will be discussed during the summer term 2015.

Townfield Primary School

Governance Statement for the period ended 31 August 2015 (*continued*)


Review of Effectiveness

As accounting officer the headteacher 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 auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the **audit/finance committee** and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



Edward Behan
Trustee



Katherine Lee
Accounting Officer

Townfield Primary School

Statement on Regularity, Propriety and Compliance for the period ended 31 August 2015

As accounting officer of Townfield Primary school I have considered my responsibility to notify the academy trust 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 trust 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 trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust'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.



Katherine Lee
Accounting Officer

14th December 2015

Townfield Primary School

Statement of Trustees' Responsibilities for the period ended 31 August 2015

The trustees who act as governors of Townfield Primary School and are also the directors of the charitable company for the purposes of company law are responsible for preparing the Trustees' 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:

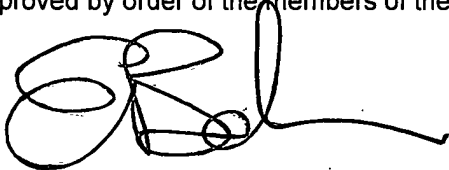
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 trustee are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The 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 on 14th December 2015 and signed on its behalf by:



Edward Behan
Trustee

Townfield Primary School

Independent Auditor's report on the financial statements to the Board of Trustees of Townfield Primary School

We have audited the consolidated financial statements of Townfield Primary School for the period 1 October 2014 to 31 August 2015 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 (SORP 2005) issued by the Education Funding Agency ("the EFA").

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 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2014 to 2015 (SORP 2005). Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an auditor's 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, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who act as governors of Townfield Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 (SORP 2005) issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, which includes the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

Townfield Primary School

Independent Auditor's report on the financial statements to the Board of Trustees of Townfield Primary School (continued)

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 do not accord with the accounting records and returns; or
- certain disclosures of governor's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Hamid Ghafoor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool
United Kingdom
Date: 16/12/2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Townfield Primary School

Independent Reporting Accountant's Assurance Report on Regularity to Townfield Primary School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 29 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015 (SORP 2005), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy during the period 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 Townfield Primary School and to the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Townfield Primary School and to the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Townfield Primary School and to the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Townfield Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Townfield Primary School's funding agreement with the Secretary of State for Education dated 30 September 2014 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 (SORP 2005). We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 October 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 (SORP 2005) issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified. Our work is performed in accordance with Part 9 of the Academies Accounts Direction 2014 to 2015 (SORP 2005).

Townfield Primary School

Independent Reporting Accountant's Assurance Report on Regularity to Townfield Primary School 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 period to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BDO LLP

BDO LLP
Reporting Accountants
Liverpool
United Kingdom
Date 16/12/2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Townfield Primary School

Consolidated statement of financial activities for the period ended 31 August 2015

	Note	Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2015 £'000
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	132	(698)	4,128	3,562
Activities for generating funds	3	37	-	-	37
<i>Incoming resources from charitable activities:</i>					
Funding for the academy trust's educational operations	4	26	2,202	238	2,466
Total income resources		195	1,504	4,366	6,065
Resources expended					
<i>Cost of generating funds:</i>					
Cost of generating voluntary income		-	29	-	29
Cost of activities for generating funds		358	-	-	358
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	1,731	52	1,783
Governance costs	7	-	23	-	23
Total resources expended	5	358	1,783	52	2,193
Net incoming/(outgoing) resources before transfers		(163)	(279)	4,314	3,872
Gross transfers between funds	14	-	(47)	47	-
Net income/(expenditure) for the period		(163)	(326)	4,361	3,872
Other recognised gains and losses					
Actuarial (losses) gains on defined benefit pension schemes	14,23	-	(31)	-	(31)
Net movement in funds		(163)	(357)	4,361	3,841

Townfield Primary School

Consolidated statement of financial activities for the period ended 31 August 2015 *(continued)*

	Note	Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2015 £'000
Reconciliation of funds					
Total funds brought forward at 1 October 2014	14	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward at 31 August 2015		(163)	(357)	4,361	3,841
		<hr/>	<hr/>	<hr/>	<hr/>

All of the academy's activities derive from acquisitions during the above financial period.

Townfield Primary School

Consolidated balance sheet As at 31 August 2015

Company number 09119526	Note	2015 £'000	2015 £'000
Fixed assets			
Tangible assets	11		4,363
Current assets			
Debtors	12	71	
Cash at bank and in hand		392	
		<u>463</u>	
Liabilities			
Creditors: amounts falling due within one year	13	(221)	
		<u></u>	
Net current assets			242
Total assets less current liabilities			<u>4,605</u>
Pension scheme liability	23		(764)
Net assets including pension liability			<u>3,841</u>
Funds of the academy trust			
Restricted funds			
Fixed asset fund	14	4,361	
General fund	14	407	
Pension reserve	14	(764)	
		<u></u>	
Total restricted funds			4,004
Unrestricted income funds			
General fund	14	(163)	
Total unrestricted funds			<u>(163)</u>
Total funds	14		<u>3,841</u>

The financial statements on pages 21 to 48 were approved by the trustees, and authorised for issue on 14 December 2015 and are signed on their behalf by:



Edward Behan
Trustee

Townfield Primary School

Company balance sheet As at 31 August 2015

Company number 09119526	Note	2015 £'000	2015 £'000
Fixed assets			
Tangible assets	11		4,358
Current assets			
Debtors	12	65	
Cash at bank and in hand		279	
		344	
Liabilities			
Creditors: amounts falling due within one year	13	(177)	
Net current assets			167
Total assets less current liabilities			4,525
Pension scheme liability	23		(764)
Net assets including pension liability			3,761
Funds of the academy trust			
Restricted funds			
Fixed asset fund	15	4,357	
General fund	15	176	
Pension reserve	15	(764)	
Total restricted funds			3,769
Unrestricted income funds			
General fund	15	(8)	
Total unrestricted funds			(8)
Total funds	15		3,761

The financial statements on pages 21 to 48 were approved by the trustees, and authorised for issue on 14 December 2015 and are signed on their behalf by:



Edward Behan
Trustee

Townfield Primary School

Consolidated cash flow statement for the period ended 31 August 2015

	Note	2015 £'000
Net cash inflow from operating activities	17	294
Capital expenditure	18	(48)
Cash inherited on conversion		146
Increase in cash in the period	19	392
Reconciliation of net cash flow to movement in net funds		
Net funds at 1 October 2014		-
Net funds at 31 August 2015		392

All of the cash flows are derived from acquisitions in the current financial period.

Townfield Primary School

Notes forming part of the financial statements for the period ended 31 August 2015

1 Accounting policies

Basis of Preparation

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

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Townfield Primary School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Townfield Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 24.

Basis of Consolidation

The consolidated statement of financial activities and group balance sheet includes the financial statements of the charitable company and its trading subsidiary Townfield Extended Daycare Scheme Limited made up to the balance sheet date.

No separate statement of financial activities has been presented for Townfield Primary School alone, as permitted by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

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 company 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.

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

▪ Grants Receivable

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

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

Townfield Primary School

Notes forming part of the financial statements for the period ended 31 August 2015 (*continued*)

1 Accounting policies (*continued*)

▪ Sponsorship Income

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

▪ Donations

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

▪ Other Income

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

▪ Donated Services and Gifts in Kind

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

Resources Expended

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

▪ Costs of Generating Funds

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

▪ Charitable Activities

These are costs incurred on the academy trust's educational operations.

▪ Governance Costs

These included the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Townfield Primary School

Notes forming part of the financial statements for the period ended 31 August 2015 (continued)

1 Accounting policies (continued)

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write-off the cost of each asset on a straight-line basis over its expected useful life, as follows:-

▪ Long leasehold buildings	Over the life of the buildings
▪ Long leasehold land	Over the remaining life of the lease
▪ Fixtures and equipment	10 Years
▪ ICT equipment	3 Years
▪ Motor vehicles	5 Years

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

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

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 2 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 trust 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.

Townfield Primary School

Notes forming part of the financial statements for the period ended 31 August 2015 (*continued*)

1 Accounting policies (*continued*)

Pensions Benefits

Retirement Benefits to employees of the academy trust 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 trust.

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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by Government Actuary on the basis of quin-quennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy trust 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on a 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.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency or other 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 Education Funding Agency and other funders.

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (continued)

2 Voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000
Transfer from local authority on conversion	132	3,430	3,562
	<hr/>	<hr/>	<hr/>
	132	3,430	3,562
	<hr/>	<hr/>	<hr/>

3 Activities for Generating funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000
Staff consultancy	8	-	8
Catering income	29	-	29
	<hr/>	<hr/>	<hr/>
	37	-	37
	<hr/>	<hr/>	<hr/>

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	1,572	1,572
Capital grants	-	238	238
Other DfE/EFA grants	-	118	118
	<hr/>	<hr/>	<hr/>
	-	1,928	1,928
	<hr/>	<hr/>	<hr/>

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (*continued*)

4 Funding for the Academy Trust's Educational Operations (*continued*)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000
Other Government grants			
Local authority grants	-	260	260
Other government grants	-	79	79
	<u>-</u>	<u>339</u>	<u>339</u>
Non Government grants			
Other income	26	-	26
School fund income	-	173	173
	<u>26</u>	<u>173</u>	<u>199</u>
	<u>26</u>	<u>2,440</u>	<u>2,466</u>

5 Resources expended

	Staff costs £'000	Non Pay Premises £'000	Expenditure Other £'000	Total 2015 £'000
Costs of generating voluntary income	-	-	29	29
Costs of activities for generating funds	295	4	59	358
Academy's educational operations:				
Direct costs	749	-	98	847
Allocated support costs	533	200	203	936
	<u>1,577</u>	<u>204</u>	<u>389</u>	<u>2,170</u>

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (continued)

5 Resources expended (continued)

	Staff costs £'000	Non Pay Premises £'000	Expenditure Other £'000	Total 2015 £'000
Governance costs including allocated support costs	-	-	23	23
	1,577	204	411	2,193

Incoming/outgoing resources for the period include:

	2015 £'000
Operating leases:	
Furniture and equipment	3,544
Auditors' remuneration:	
Audit of financial statements	10
Other services – Accountancy	8
Other services – Regularity	1
	3,563

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (*continued*)

6 Charitable activities

	Total 2015 £'000
Direct costs – educational operations	
Teach and educational support staff costs	749
Depreciation	-
Technology costs	11
Educational supplies	57
Staff development	17
Educational consultancy	9
Other direct costs	4
	<hr/> 847 <hr/>
Support costs – educational operations	
Support staff costs	533
Depreciation	52
Technology costs	31
Recruitment and support	1
Maintenance of premises and equipment	53
Cleaning	35
Rent and rates	15
Energy costs	29
Insurance	16
Security and transport	10
Operating lease costs	-
Legal and professional fees	61
Other support costs	100
	<hr/> 936 <hr/>
Total direct and support costs	 1,783 <hr/>

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (*continued*)

7 Governance costs

	Total 2015 £'000
Legal and professional fees	4
Auditors' remuneration	
Audit of financial statements	10
Other costs - accountancy	9
	<hr/>
	23
	<hr/>

8 Staff

2015
£'000

a. Staff costs

Staff costs during the period were:

Wages and salaries	1,307
Social security costs	60
Pension costs	154
	<hr/>
	1,521

Supply staff costs	56
	<hr/>

1,577

b. Staff severance payments

There were no staff severance payments made during the period.

Townfield Primary School

Notes forming part of the financial statements for the period ended 31 August 2015 (continued)

8 Staff (continued)

c. Staff numbers

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

	2015 No
Charitable activities	
Teachers	12
Administrations and support	31
Management	6
	<hr/>
	49
	<hr/>

d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No
£75,001- £80,000	1
	<hr/>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2015 employer's pension contributions for this employee amounted to £10,968.

9 Related Party Transactions – Trustees Remuneration and Expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration for the 11 month period ended 31 August 2015 was as follows:

K Lee (principal and trustee):	£75,000 – 80,000
D Stitcher (staff governor)	£40,000 - £45,000
L Carroll (staff governor)	£20,000 - £25,000
K Griffiths (staff governor)	£10,000 - £15,000

During the period ended 31 August 2015, travel and subsistence expenses totalling £316 were reimbursed to 1 trustee.

Other related party transactions involving the trustees are set out in note 22.

Townfield Primary School

Notes forming part of the financial statements for the period ended 31 August 2015 (continued)

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 was £489. The cost of this insurance is included in the total insurance cost.

11 Consolidated tangible fixed assets

	Leasehold land and buildings	Computer equipment	Furniture and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 October 2014	-	-	-	-	-
Transfer on conversion from Townfield Primary School	3,941	77	110	2	4,130
Additions	235	49	2	-	286
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	4,176	126	112	2	4,416
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 October 2014	-	-	-	-	-
Charged in period	(17)	(26)	(9)	(1)	(53)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	(17)	(26)	(9)	(1)	(53)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book values					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	4,159	100	103	1	4,363
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (*continued*)

11 Academy tangible fixed assets

	Leasehold land and buildings	Computer equipment	Furniture and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 October 2014	-	-	-	-	-
Transfer on conversion	3,941	77	104	2	4,124
Additions	235	49	2	-	286
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	4,176	126	106	2	4,410
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 October 2014	-	-	-	-	-
Charged in period	(17)	(26)	(8)	(1)	(52)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	(17)	(26)	(8)	(1)	(52)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book values					
At 31 August 2015	4,159	100	98	1	4,358
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (*continued*)

12 Debtors	Consolidated 2015 £'000	Townfield 2015 £'000
VAT recoverable	17	17
Prepayments and accrued income	54	48
	<hr/>	<hr/>
	71	65
	<hr/>	<hr/>
 13 Creditors: amounts falling due within one year	 Consolidated 2015 £'000	 Townfield 2015 £'000
Trade creditors	1	1
Taxation and social security	47	47
Accruals and deferred income	173	129
	<hr/>	<hr/>
	221	177
	<hr/>	<hr/>
 Deferred income	 Consolidated 2015 £'000	 Townfield 2015 £'000
Deferred income at 1 September 2014	-	-
Resources deferred in the period	86	51
	<hr/>	<hr/>
Deferred income at 31 August 2015	86	51
	<hr/>	<hr/>

The above deferred income balances represent amounts the academy trust was holding in advance of the autumn term 2015.

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (*continued*)

14 Consolidated funds

	Balance at 1 October 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2015 £'000
Restricted general funds					
Transfer on conversion	-	14	(14)	-	-
General Annual Grant (GAG)	-	1,572	(1,118)	(47)	407
Other DfE/EFA grants	-	118	(118)	-	-
Other restricted	-	512	(512)	-	-
Pension reserve	-	(712)	(21)	(31)	(764)
	-	1,504	(1,783)	(78)	(357)
Restricted fixed asset funds					
On transfer from conversion	-	4,128	(49)	-	4,079
DfE/EFA capital grants	-	238	(3)	-	235
Capital expenditure from GAG	-	-	-	47	47
	-	4,366	(52)	47	4,361
Total restricted funds	-	5,870	(1,835)	(31)	4,004
Unrestricted funds					
Unrestricted funds	-	195	(358)	-	(163)
Total unrestricted funds	-	195	(358)	-	(163)
Total funds	-	6,065	(2,193)	(31)	3,841

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

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 *(continued)*

15 Academy funds

	Balance at 1 October 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2015 £'000
Restricted general funds					
Transfer on conversion	-	14	(14)	-	-
General Annual Grant (GAG)	-	1,263	(1,044)	(43)	176
Other DfE/EFA grants	-	118	(118)	-	-
Other restricted	-	512	(512)	-	-
Pension reserve	-	(712)	(21)	(31)	(764)
	-	1,195	(1,709)	(74)	(588)
Restricted fixed asset funds					
On transfer from conversion	-	4,128	(49)	-	4,079
DfE/EFA capital grants	-	238	(3)	-	235
Capital expenditure from GAG	-	-	-	43	43
	-	4,366	(52)	43	4,357
Total restricted funds	-	5,561	(1,761)	(31)	3,769
Unrestricted funds					
Unrestricted funds	-	134	(142)	-	(8)
Total unrestricted funds	-	134	(142)	-	(8)
Total funds	-	5,695	(1,903)	(31)	3,761

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

Restricted general funds are to be applied to meet the day to day working commitments of the academy in meeting its objects.

The restricted fixed asset fund represents transfers on conversion and government grants received for the purchase of fixed assets less the depreciation costs of those assets.

The unrestricted fund represents resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

The Academy has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own statement of financial activities.

The net assets for the period to 31 August 2015 was £3,761,000.

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (*continued*)

15 Analysis of consolidated net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	4,363	4,363
Current assets	-	463	-	463
Current liabilities	(163)	(56)	(2)	(221)
Pension scheme liability	-	(764)	-	(764)
Total net assets	(163)	(357)	4,361	3,841

Analysis of Academy net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	4,357	4,357
Current assets	-	344	-	344
Current liabilities	(8)	(168)	-	(176)
Pension scheme liability	-	(764)	-	(764)
Total net assets	(8)	(588)	4,357	3,761

16 Financial commitments

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

	2015 £
Other	
Expiring with two and five years inclusive	4,293
Expiring in over five years	297
	4,590

Townfield Primary School

**Notes forming part of the financial statements
for the period ended 31 August 2015 (continued)**

17 Reconciliation of net income to net cash inflow from operating activities

	2015 £'000
Net income	3,872
Depreciation (note 11)	52
Capital grants from DfE and other capital income	(238)
FRS 17 pension cost less contribution payable (note 23)	29
FRS 17 pension finance cost (note 23)	(8)
Increase in debtors	(71)
Increase in creditors	222
FRS 17 pension cost on conversion	712
Cash on conversion	(146)
Non-cash on conversion	(4,130)
	<hr/> 294 <hr/>

18 Capital expenditure and financial investment

	2015 £'000
Purchase of tangible fixed assets	(286)
Capital grants from DfE/EFA	238
	<hr/>
Net cash outflow from capital expenditure and financial investment	(48) <hr/>

19 Analysis of changes in net debt

	At 1 October 2014 £'000	Cash flow £'000	At 31 August 2015 £'000
Cash in hand and at bank	-	392	392
	<hr/>	<hr/>	<hr/>
	-	392	392
	<hr/>	<hr/>	<hr/>

Townfield Primary School

Notes forming part of the financial statements for the period ended 31 August 2015 (*continued*)

20 Member's 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.

21 Trading subsidiary entity

The academy owns 100% of Townfield Extended Daycare Scheme Limited. Townfield Extended Daycare Scheme Limited is a company limited by guarantee (registration number 09121533) and is a registered charity (registration number 1160884). Townfield Extended Daycare Scheme Limited provides childcare services.

The total value of the surplus during the period that belongs to the subsidiary is £79,627.
The total of the subsidiary's funds at 31 August 2015 is £79,627.

22 Related party transactions

As the academy owns 100% of Townfield Extended Daycare Scheme Limited, which is on the same premises as the academy, it is inevitable that transactions will take place between the two. The following related party transaction took place in the period of account.

Management fee recharges from the academy to Townfield Extended Daycare Scheme Limited amounted to £29,712. This recharge relates to the running costs of the premises that are shared with the academy.

During the year, Townfield Extended Daycare Scheme Limited gifted £25,000 of its surplus to the academy.

Townfield Primary School

Notes forming part of the financial statements for the period ended 31 August 2015 (*continued*)

23 Pension and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire Pension fund. 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 2014 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

- contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- 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 period 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.

Townfield Primary School

Notes forming part of the financial statements for the period ended 31 August 2015 (*continued*)

23 Pension and similar obligations (*continued*)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £110,233, of which employer's contributions totalled £73,835 and employees' contributions totalled £36,398. The agreed contribution rates for future years are in the process of being agreed.

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.

Principal actuarial assumptions	2015
Rate of increase in salaries	3.7%
Rate of increase for pensions in payment/inflation	2.2%
Discount rate for scheme liabilities	4.0%
Commutation of pensions to lump sums	2.2%

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

	2015 £
<i>Retiring today</i>	
Males	22.4 years
Females	25.3 years
<i>Retiring in 20 years</i>	
Males	24.8 years
Females	28.1 years

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (continued)

23 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	Expected return at 31 August 2015	Fair value at 31 August 2015 £'000
Equities	60.1%	81
Government bonds	13.8%	19
Other bonds	5.2%	7
Property	8.6%	12
Cash	2.9%	4
Other	9.4%	13
Total market value of assets		136
Present value of scheme liabilities		
Funded		(900)
Deficit in the scheme		(764)

The actual return on scheme assets was £nil.

Amounts recognised in the statement of financial activities	2015 £'000
Current service cost (net of employee contributions)	(93)
Total operating charge	(93)
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	1
Interest on pension liabilities	(30)
Pension finance income/(costs)	(122)

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (*continued*)

23 Pension and similar obligations (*continued*)

Local Government Pension Scheme (*continued*)

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £31,000 loss.

Movements in the present value of defined benefit obligations were as follows:	2015 £'000
At 1 October 2014	-
Inherited on conversion	712
Current service cost	93
Interest cost	30
Employee contributions	35
Actuarial (gain)/loss	30
Benefits paid	-
	<hr/>
At 31 August	900
	<hr/>
Movements in the fair value of academy's share assets:	2015 £'000
At 1 October 2014	-
Inherited on conversion	
Expected return on assets	1
Actuarial (gain)/loss	(1)
Employer contributions	101
Employee contributions	35
	<hr/>
At 31 August	136
	<hr/>

The estimated value of employer contributions for the period ended 31 August 2015 is £100,000.

Townfield Primary School

Notes forming part of the financial statements
for the period ended 31 August 2015 (continued)

23 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The five-year history of experience adjustments is as follows:

	2015
	£
Presented value of defined benefit obligations	(900)
Fair value of share of scheme assets	136
Deficit in the scheme	(764)
Experience adjustments on share of scheme assets	
Amount £'000*	(1)
Experience adjustments on scheme liabilities	
Amount £'000*	-

24 Conversion to an Academy Trust

On 1 October 2014 Townfield Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Townfield Primary School from Wirral Borough Council Local Authority for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets				
- Leasehold land and buildings	-	-	3,941	3,941
- Other tangible assets	-	-	188	188
Budget surplus on LA Funds	132	-	-	132
Budget surplus on other school funds	-	14	-	14
LGPS pension (deficit)	-	(712)	-	(712)
Net assets	132	(698)	4,129	3,563