

Clayton-le-Moors All Saints' Church of England Primary School

Annual Report and Financial Statements

For the Year Ended 31 August 2015



Beever and Struthers
Chartered Accountants & Statutory Auditor
Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

Clayton-le-Moors All Saints' Church of England Primary School

Financial Statements

For the Year Ended 31 August 2015

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Reference and Administrative Details

Members	Mr D Anderson – until 16 January 2015 Mr P Smith Mrs L Turner Blackburn Diocesan Board of Education – represented by Mr F Kershaw until July 2015 The Parochial Church Council of Clayton-le-Moors All Saints Rev T Webber – from 15 September 2015
Trustees	Mr D Anderson ^{1*} (Chair) – resigned 16 January 2015 Mr P Smith ^{2*} Mrs L Turner ^{2*} (Vice-Chair until 16 January 2015 and Chair from 16 January 2015) Mrs B Dillon ^{1*} (Vice-Chair from 16 January 2015) Mrs A Barker ^{2*} Mr J Kenyon ^{1*} Mrs J Allen ^{2*} Mrs C Oxford (Community Governor) Mr M Shuker (Parent Governor) – resigned 31 August 2015 Mr S Pemberton (Parent Governor) – resigned 31 August 2015 Mr I Spencer (Headteacher) Ex-Officio Mrs A Williams (Staff Governor) Mrs G Clarkson nee Tolson (Staff Governor) – resigned 23 February 2015 Mrs A Helm ^{1*} – appointed 6 July 2015 Rev T Webber* (Incumbent) Ex-Officio – appointed 1 September 2015 Miss F Howorth (Staff Governor) – appointed 15 September 2015 Mr M Bradshaw (Parent Governor) – appointed 20 th October 2015 Mrs L Wylie (Parent Governor) – appointed 20 th October 2015 <i>¹appointed by the Blackburn Diocesan Board of Education</i> <i>²appointed by the Parochial Church Council of Clayton-le-Moors All Saints</i> <i>* are Foundation Governors</i>
Company Secretary	Mrs S Kelly
Clerk to the Governors	Mrs L Nicholson
Internal Auditor	Judy Bateman Business Solutions

Clayton-le-Moors All Saints' Church of England Primary School

Reference and Administrative Details *(continued)*

Senior Management Team:

Headteacher	Mr I Spencer
Acting Headteacher	Mrs S Huddy
Acting Deputy Headteacher	Mrs N Saporita-Clark
Head of Foundation/KS1	Mrs K Just
Head of KS2	Mrs N Saporita-Clark
SENCo	Mrs N Saporita-Clark

Company Name	Clayton-le-Moors All Saints' Church of England Primary School
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Principal and Registered Office	Church Street Clayton-le-Moors Accrington Lancashire BB5 5HT
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Company Registration Number	07770605 (England and Wales)
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Independent Auditor	Beever and Struthers Chartered Accountants Central Buildings Richmond Terrace Blackburn Lancashire BB1 7AP
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Bankers	Lloyds Bank Plc Church Street Blackburn Lancashire BB2 1JQ
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Solicitors	Forbes Solicitors Ribchester House Lancaster Road Preston Lancashire PR1
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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 September 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 Clayton-le-Moors. It has a pupil capacity of 280 and a roll of 275 in the school census on 1 October 2015.

The principle activities and core purpose of the academy trust, as set out in its articles of association and funding agreement are:

- 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, and
- to provide a non-selective Christian education to children of different abilities aged 4-11 years, as laid down in the school's mission statement.

"All Saints is a Church of England school having at its heart the Christian faith. The school seeks to communicate an understanding of the redeeming love of Jesus Christ through its sense of community, life and worship. Within this framework, the school aims to develop the whole child, combining maximum educational development with overall fulfilment as human beings."

Teachers are at the heart of every teaching activity, though throughout the process seeking to encourage children to take increasing responsibility for their own learning within guided high quality, differentiated activities. Though careful tracking and assessment of children's progress is carried forward throughout the school. It is the intention of governors that the school's curriculum should include the National Curriculum, but that the content should be relevant to both the needs of children within this area, and the individual needs of each child in our school, as well as anticipating the future skills our children will need to have as they seek future employment. The governors firmly believe that many of the shackles relating to scripts, unnecessary administrative tasks and spreadsheets should be removed, thus allowing teachers and their assistants to be free to be their creative and inspirational best.

In the academic year 2014-15 we accommodated students from the schools direct programme. Working with the University of Cumbria, we managed a total of 25 teaching students, some with placements at All Saints', and others placed within our alliance. Throughout the 2014-15 year the school management team, together with governors, have been working to develop our capability to provide Initial Teacher Training through the Schools Direct Programme from September 2015. We have worked with the University of Cumbria to ascertain the best way forward in this area and consequently formed a partnership with a local teaching school to enable us to provide the full ITT programme to the teaching students under our care. During the 2014-15 school year we interviewed several prospective teaching students, and offered places to 6 of these candidates. We have worked to form and develop an alliance of schools in the area, which can work together to offer teaching placements to the students we have enrolled.

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

During the academic year 2014-15 a business plan was formulated for the introduction of a breakfast club, each morning before school. The proposal is for a breakfast club to be run, by staff already employed by school, open to all children attending All Saints'. This business plan was put forward to governors and approved by them. It is hoped the breakfast club be ready for business from November 1st, at the latest.

The staffing structure changed during this year, due to the long term absence of the current headteacher, due to ill health, and also because of financial restraints the school found itself in. All staffing changes were discussed and approved by trustees and they have been kept fully up to date with the impact of these changes. The return date of the headteacher is, as yet, unclear and the proposal as from September 1st 2015 is for the current deputy to become acting headteacher, with the assistant head being acting deputy.

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 Clayton-le-Moors All Saints' Church of England Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Clayton-le-Moors All Saints' Church of England Primary School.

The company has taken advantage of exemption from the requirement to have its name ending with "Limited" under s60 of the Companies Act 2006.

Details of the trustees who served during the year are included in the reference and administrative details on pages 1 and 2.

The meaning of "trustee", "director", "governor" and "member"

In this report there are frequent references to trustees. This is the same body of people as both the directors of the company and the governors of the academy, these words are used interchangeably. The trustees have a different status to the members of the academy trust.

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

Trustees/directors' liability insurance is in place, with a limit of indemnity up to £2,000,000 on any one claim (£10,000,000 in total per annum).

Method of Recruitment and Appointment or Election of Trustees

Trust Board Members, who are the directors of the Academy Trust for the purpose of company law, are nominated by either the Secretary of State, the Chairman of Governors or by all of the existing members. The Articles of Association require the trust board members to appoint a minimum of 3,

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

the majority of whom should be "foundation" governors. Normal practice will mean that of these "foundation" governors, a minimum of 8 Foundation Governors shall be appointed of whom 3 shall be appointed by the Diocesan Board of Education, 4 shall be appointees of the Parochial Church Council of All Saints' C E Church of Clayton-le-Moors and 1 shall be the Incumbent. Governors are responsible for the statutory and constitutional affairs of the Academy Trust and the management of the Academy. The Articles of Association contain provisions for the appointment of additional governors including staff governors, a local community governor and parent governors. There is no maximum number of governors.

Governors are appointed for a fixed term of 4 years but are eligible for re-election at the end of the fixed term.

The trustee board may appoint additional governors. Governors may be removed by the person or persons who appointed them.

The Governing body currently comprises of 14 Governors. The Academy Trust's members are

- the signatories to the Memorandum
- the Blackburn Diocesan Board of Education
- the Parochial Church Council of Clayton-le-Moors All Saints
- the Incumbent
- one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose
- The chairman of Governors, and
- Any other person appointed under Article 16 of the Academy Trust's Articles of Association

The Headteacher and the Incumbent are both ex-officio governors.

The following changes took place during the financial period up until the date of this report:

- Mr D Anderson resigned on 16 January 2015
- Mr M Shuker resigned on 31 August 2015
- Mr S Pemberton resigned on 31 August 2015
- Mrs G Clarkson nee Tolson resigned on 23 February 2015
- Mrs A Helm was appointed on 6 July 2015

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their existing experience. Where required, induction includes training on charity, educational, regulatory and financial matters. All trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they need to undertake their roles as trustees.

New trustees receive induction training and support from the Clerk to the Governors and Chair of Governors. All trustees have the opportunity to attend relevant courses.

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

Organisational Structure

The governing body roles and responsibilities are reviewed annually at the autumn term meeting

The Governors are organised into a number of committees who form policies to be agreed at main governing body meetings. The bodies comprise Buildings and Finance, Curriculum, Admissions and Staffing.

The Governors are responsible for setting general policy, including the vision, aims and ethos of the Academy Trust and the monitoring of academic standards, adopting an annual plan and budget, monitoring the Academy Trust by the use of budgets and making major decisions about the direction of the Academy Trust, capital expenditure and staff appointments. During the period under review, Governors held 5 full governing body meetings, 2 of these being confidential, 2 curriculum committee meetings and 3 Finance and Building Committee meetings, 2 being confidential. In addition to this the governors staffing, admissions, pay, performance management, disciplinary and appeal committees have met to deal with matters relating to their areas of responsibility.

The Finance and buildings committee has received guidance which has resulted in changes to processes from those operated when we were a Voluntary-Aided Primary School. Notes to support the financial processes have been circulated and considered in detail by the Committee. All Governors are able to access current information through the school's website and regular information sent out by the school office staff and the Clerk to Governors. Many Governors are actively involved in the life of the school and there is a strong partnership between the school and Church. All governors have subject and/or areas of responsibility relating to the school's curriculum. All Governors have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their governing body duties.

The internal auditor has monitored the changes to processes and makes regular reports to the governing body. The governing body approves the Statutory Accounts. The levels of authorisation of budget spend are detailed in the financial guidelines approved by the governing body.

Mrs S Huddy and Mrs N Saporita-Clark were appointed as acting headteachers to cover for Mr I Spencer who has been absent during the year due to long term sickness. Mrs S Huddy took on the role of acting accounting officer as Mr I Spencer is the current accounting officer. The day to day management of the Academy Trust is delegated by the governing body to the Acting Headteachers. The Acting Headteachers are supported by the Senior Leadership Team, the school administrator and bursar.

Risk Management

The governors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the operational areas of the site and facilities and of teaching and the finances. The governors have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas which include teaching, health and safety and in relation to the control of finance. The governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Statement on Regularity,

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

Propriety and Compliance The systems of internal control and risk management are considered on a regular basis by management and governors

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions or operations of the academy trust. There are no sponsors.

The academy trust works closely with parents to further the principal activities of the academy trust.

The academy trust works closely with a wide range of pre-school providers and the local children's centre.

The academy trust works closely with All Saints' Church whose organisations make use of the school buildings out of school hours. There is a close working relationship with Blackburn Diocese.

The academy trust works closely within the network of our five local schools as well as being part of many other networks in Lancashire and beyond to further the principal activities of the academy trust.

Objectives and Activities

Objects and Aims

The principal object and activity of the academy trust is the operation of Clayton-le-Moors All Saints' Church of England Primary School.

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

The main objectives of the academy trust during the year ended 31 August 2015 are to prepare children for living and learning responsibly in society by

- Equipping each child with the basic skills, knowledge and understanding appropriate to a child of primary school age through a broad and balanced curriculum designed to promote the spiritual, moral, cultural, mental, aesthetic and physical development of each child and to prepare him/her for adult life.
- Encouraging each child to develop a mature and positive attitude to work, to relationships with others and to the life of the school in general.
- To teach good standards of behaviour and respect for others.
- To foster the social skills, moral and religious awareness that will enable each child to become a happy, well-balanced individual who will enjoy all aspects of school life.

We deliver a broad and balanced curriculum with emphasis on the acquisition of Literacy and Numeracy skills, enrichment activities and learning through fun and investigation.

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

We are constantly monitoring and evaluating all aspects of our performance in order to raise standards still further. Our School Development Plan reflects the needs of our school and its pupils and works to improve standards.

We work in partnership with All Saints' Church, our local community and industry to deepen an understanding of God's wider world.

Our aims, in conjunction with our mission statement underpin every aspect of day-to-day life. To help achieve these aims, our school offers a happy, safe and welcoming atmosphere.

Children are encouraged to learn through first-hand experience in a stimulating environment. Staff development is a priority and the school boasts a professional team with considerable expertise.

Children aim to be well behaved and attentive in the classroom. When problems occur they are dealt with sympathetically and parents are involved when necessary. Close co-operation between school and home is seen as important in developing the best environment in which each child can learn.

Children are encouraged positively to

1. Treat others, as they themselves would like to be treated
2. Do their best at all times
3. Be polite and well-mannered to other children and all adults. Use terms such as "please" and "thank you" and to be courteous.

Objectives, Strategies and Activities

The Academy Trust seeks to provide an all-round education for children in a bright and stimulating and fun atmosphere. We have the highest expectations of pupil attainment, teacher performance and parental involvement and we encourage everyone to strive for excellence, in order to achieve potential. We seek challenge and embrace change in order to improve. To this end, the activities provided include

- well planned learning opportunities for all pupils to achieve in line with or exceed expectations in the EYFS, KS1 and KS2 statutory assessments,
- professional development opportunities for all staff,
- for all staff to have annual appraisal objectives set and reviewed,
- pupil involvement in leadership decisions through the use of our School, ECO and Healthy School Councils,
- a broad, balanced and creative curriculum provided for all pupils,
- opportunities for extended learning through the provision of extra-curricular activities,
- talent spotting of all pupils and encouraging and fostering the areas identified, and
- provide a fully inclusive Christian education, available to all

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy trust's aims and objectives and in planning future activities. Given the activities of the academy trust and the pupil population it serves, the trustees consider that the company's aims are demonstrably to the public benefit.

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

Strategic Report

Achievements and Performance

The academy trust is in its fourth year of operation and continues to achieve forecast numbers of pupils. Total numbers on roll in the year ended 31 August 2015 numbered 277, the academy trust being full in all but 3 year groups. The academy trust has a standard admission number of 40 and names down for places in the coming years suggest that school will be full (building capacity set at 280). The school in partnership with the local authority operates a waiting list for available places.

The academy trust ensures the accuracy of its teacher assessment scores at the end of Key Stage 1 & 2 through internal and external moderation. The academy trust uses exemplar examples of levels and national and local benchmarking.

Standard Assessment Test Results at Clayton-le-Moors All Saints Church of England Primary School 2014 compared with National Test Results 2013

SIMS National Curriculum Assessment 2014/15 – Key Stage One

In the National Curriculum the expected level of achievement for a typical 7 year old is level 2.

Percentage of pupils achieving level 2 or above

Number of eligible pupils = 40

Number of pupils absent or dis-applied = 0

	Teacher Assessment	
	Nationally	All Saints
English		
Reading/ Comprehension	91%	87.5%
Writing	88%	77.5%
Maths	93%	95%
Science	91%	82.5%

Percentage of pupils achieving level 2b or above

Number of eligible pupils = 40

Number of pupils absent or dis-applied = 0

	Teacher Assessment	
	Nationally	All Saints'
English		
Reading/ Comprehension	82%	72.5%
Writing	72%	60%
Maths	82%	70%
Science L3+	23%	20%

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

SIMS National Curriculum Assessment 2014/15 - Key Stage Two

In the National Curriculum the expected level of achievement for a typical 11 year old is Level 4

Percentage of pupils achieving level 4 or above

Number of eligible pupils = 40

Number absent = 0

	Test Results	
	Nationally	All Saints
English		
Reading	89%	90%
Writing	87%	87 5%
Grammar, Punctuation and Spelling	80%	85%
Maths	87%	85%
Science	89%	92 5%

Percentage of pupils achieving level 5 or above (L6)

Number of eligible pupils = 40

Number absent = 0

	Test Results	
	Nationally	All Saints
English		
Reading	48%	60%
Writing	36% (2%)	45%
Grammar, Punctuation and Spelling	55% (4%)	55%
Maths	41% (9%)	57 5% (12 5%)
Science	40%	52 5%

Key Performance Indicators

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

In its last full Section 5 OFSTED inspection in November 2006 the Academy Trust was assessed as "outstanding"

In November 2012 the school was inspected under OFSTED Section 48 (SIAS) and was assessed as "outstanding"

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

The results of the inspection are summarised below

Assessment	Inspection Grade
The effectiveness, efficiency and inclusiveness of the provision of education, integrated care and any extended services in meeting the needs of learners	1
The achievement of learners	1
The personal development and wellbeing of learners	1
The effectiveness of teaching and learning in meeting the full range of learners' needs	1
The effectiveness of the curriculum and other activities to meet the range of needs and interests of learners	1
The care, guidance and support of learners	1
The effectiveness of leadership and management in raising achievement and supporting all learners	1

The results of the Section 48 (SIAS) inspection are summarised below

Assessment	Inspection Grade
How well the school does, through its distinctive Christian character to meet the needs of all learners	1
The impact of collective worship of the school community	1
The effectiveness of Religious Education	1
The effectiveness of leadership and management of the school, as a church school	1

Note Grade 1 is "exceptionally and consistently high"

The Academy Trust is also monitored through the completion and submission to the EFA of

- The annual abbreviated accounts record
- The financial plan for the period 2013-2018
- The annual Financial Management and Governance Evaluation

Going Concern

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

Financial Review

Financial and Risk Management Objectives and Policies

The academy trust's financial objectives are

- to ensure that the financial resources available for the children each year is spent on the children attending school during that year to maximise their learning opportunities,

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

- to generate extra income wherever possible so as to enhance school life and activities without being over-reliant on parents and carers contributions,
- to apply at all times, best value principles in all purchases,
- to monitor and evaluate the value for money of all staff, and
- to prevent all areas of wastage

These objectives were achieved in the year ending 31st August 2015

Financial Report for the Period

Most of the academy trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the year total income was £1,205,011 (2014 £1,120,739) and expenditure was £1,273,072 (2014 £1,219,911). The net movement in funds for the period (excluding restricted fixed asset funds) was £43,240 (2014 deficit of £46,866).

At 31st August 2015 the net book value of fixed assets was £1,076,287 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets will be used exclusively for providing education and associated support services to pupils.

Financial Position

The Academy Trust held fund balances at 31st August 2015 of £713,833 (2014 £783,894). This comprised restricted fixed asset funds of £1,076,287 (2014 £1,189,588), £20,615 (2014 £11,811) of unrestricted general funds and the general restricted funds are in deficit of £383,069 (2014 £417,505). The restricted general fund includes the recognition in 2012 and 2013 of the deficit arising on conversion from the predecessor school of £99,484 and the pension scheme deficit of £342,000 (2014 £325,000). The LGPS deficit on conversion was £254,000 and has since risen principally due to a reduction in the discount rate applied to scheme liabilities, reflecting current low rates of interest. For further information see note 24. The trustees acknowledge the current deficit and have put in place a repayment plan with the Lancashire County Council's Pension Fund to help reduce the deficit in future years. This will be funded through the GAG.

Reserves Policy

The amount of reserves held are stated in the Financial Review noted above. Subject to EFA's constraints on permitted balances, the academy trust's policy is to carry forward a prudent level of resources. The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves, ensuring that the resources available for the year are used specifically for the children attending school during that same year.

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

Some reserves exist in order to provide a cushion to deal with unexpected emergencies, such as urgent maintenance. The academy trust continues to run within the constraints of funding whilst endeavouring to build reserves throughout the school year. The trustees accept that the ideal of having a minimum of one quarter's running costs, approximately £170,000, as a reserve is not possible in a school setting, primarily due to the nature of the EFA funding.

Cash at the bank on 31st August 2015 was £46,111 (2014 £27,114)

Investment Policy

No investments are held. It should be noted that money held in the bank accounts, with Lloyds Bank plc, does earn interest, however the balances are low and the interest paid is not substantial.

Principal Risks and Uncertainties

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

Based on its mission, the Finance and Buildings Committee undertakes a comprehensive review of the risks to which the academy trust is exposed. They identify systems and procedures, including specific, preventable actions which should mitigate any potential impact on the academy trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Finance and Buildings Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the academy trust.

A risk register is maintained at the academy trust level which is reviewed at least annually by the Finance Committee and more regularly when necessary. The risk register identifies key risks, the likelihood of these risks occurring, their potential impact on the academy trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors which may affect the academy trust. Not all factors are within the trustees' control. Other factors besides those listed below may also adversely affect the academy trust.

Government Funding

The academy trust has considerable reliance on continued Government funding through the EFA. In 2014/2015, 92% (2013/14 92%) of the Academy's revenue was ultimately publicly funded including inherited assets, and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or in the same terms.

This risk is mitigated in a number of ways:

- funding is derived from a number of direct and indirect contractual arrangements,
- by ensuring that the academy trust is rigorous in delivering high quality education and training, and
- considerable focus and investment is placed on maintaining and managing key relationships with the EFA.

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

Maintain adequate funding of pensions liabilities

The financial statements report the share of the pension scheme deficit on the academy trust's balance sheet in line with the requirements of Financial Reporting Standard (FRS17). This deficit relates to associate (non-teaching) staff who are members of Lancashire County Council's Pension Fund. At 31 August 2015 the deficit amounted to £342,000 (2014: £325,000).

The pension scheme liability is an ongoing liability which is not expected to crystallise until the retirement of the employees in the scheme. The academy trust makes contributions to the scheme on behalf of its employees. During the year, the academy trust made contributions of £42,483 (2014: £41,570). These contributions are determined by the Scheme's Actuaries and are designed to eliminate the deficit over the estimated future working lives of the employees in the scheme. There continues to be an on-going issue regarding the increased contribution the academy has to make to the scheme, just because we are an Academy Trust. This issue has been raised directly with the Secretary of State for Education.

In addition, the academy trust made contributions of £64,792 (2014: £55,158) to the Teachers' Pension Scheme on behalf of the teaching staff.

Plans for Future Periods

The Academy Trust intends to action fully the areas for development as detailed on the Academy Trust improvement plan 2014/2015.

The key strategy of the Improvement Plan, and in line with the Mission Statement, is to raise standards by focusing more clearly on the school's strengths and areas for development. Through systematic monitoring the school will ensure that agreed processes are implemented as intended, action plans are amended as necessary to develop an evidence base for evaluation. Evaluation will be built into school improvement planning and target setting on a three-year cycle. A rolling three-year needs analysis will be maintained and a twelve-month detailed action plan will be produced each year. This will enable us to identify priorities for the achievement of targets, particularly in relation to learning objectives, and teaching and learning strategies.

Funds held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

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.

Beever and Struthers have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

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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.

Beever and Struthers have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Clayton-le-Moors All Saints' Church of England Primary School

Trustees' Report *(continued)*

For the Year Ended 31 August 2015

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16 December 2015 and signed on the board's behalf by



Mrs L Turner
Chairman

Governance Statement

For the Year Ended 31 August 2015

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Clayton-le-Moors All Saints' Church of England 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 Clayton-le-Moors All Saints' Church of England 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 5 times during the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Anderson (Chair) - resigned 16 January 2015)	3	3
Mr P Smith	5	5
Mrs L Turner (Vice-Chair - Chair from 16 January 2015)	5	5
Mrs B Dillon (Vice-Chair from 16 January 2015)	5	5
Mrs A Barker	4	5
Mr J Kenyon	4	5
Mrs J Allen	5	5
Mrs C Oxford	5	5
Mr M Shuker – resigned 31 August 2015	4	5
Mr S Pemberton – resigned 31 August 2015	3	4
Mr I Spencer (Headteacher and accounting officer)	-	5
Mrs A Williams	4	5
Mrs G Clarkson nee Tolson – resigned 23 February 2015	4	4
Mrs A Helm – appointed 6 July 2015	-	-

Senior management team (in attendance)

Mrs S Huddy (Joint acting headteacher and acting accounting officer)	5	5
Mrs N Saporita-Clark (Joint acting headteacher)	5	5

Mrs S Huddy and Mrs N Saporita-Clark were appointed as acting headteacher, with Mrs S Huddy appointed as acting accounting officer, to cover for Mr I Spencer who has been absent during the year due to long term sickness.

Governance Statement *(continued)*

For the Year Ended 31 August 2015

The Buildings and Finance Committee is one of the two major sub-committees of the main governing body. Its purpose is to deal with all matters relating to finance, general resourcing, buildings and health and safety matters.

During the year Mrs S Huddy and Mrs N Saporita-Clark, Joint Acting Headteachers, joined the committee as cover for Mr I Spencer (Headteacher) who was absent due to long term sickness. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Smith (Chair)	3	3
Mr D Anderson – resigned 16 January 2015	2	2
Mr I Spencer	1	3
Mrs C Oxford	3	3
Mrs G Clarkson nee Tolson	2	2
Mr J Kenyon	3	3
Mr M Shuker	2	3

Senior management team (in attendance)

Mrs S Huddy	2	2
Mrs N Saporita-Clark	2	2

The Curriculum and Standards Committee is the other major sub-committee. Its purpose is to deal with all matters relating to learning, the school's curriculum (including the national curriculum) and standards. Each governor has responsibility for monitoring one or more areas of the curriculum, working closely with the teacher in charge for co-ordinating the subject.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L Turner (Chair)	2	2
Mr I Spencer	-	2
Mr P Smith	1	2
Mrs A Barker	2	2
Mrs A Williams	1	2
Mrs B Dillon	1	2
Mrs J Allen	2	2
Mr S Pemberton – resigned 31 August 2015	1	1
Mrs C Oxford	1	2

Review of Value for Money

As accounting officer the Acting 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 taxpayer resources received.

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

- Monitoring the school's curriculum, ensuring it is personalised to the needs of children within our care. All children are given the opportunity to reach their full potential and make the maximum progress from their own starting point. Teachers are encouraged to challenge each child, with no ceiling on their learning, whatever their ability. The spiritual, moral, social and cultural education of our children permeates throughout the life of the school and each school day.
- Monitoring and reviewing our staffing structure and contracted hours of work, ensuring staff are deployed effectively across school, providing value for money for their service. Staff, whose role directly involves children, are monitored for their impact and effectiveness on teaching and learning. Personal and professional development, which enhances the opportunities and experiences of our children, is encouraged and supported, wherever possible.
- Evaluating the effectiveness and impact of additional staff/services bought into school. Such services include, PE coaches, used to lead PE sessions in curriculum time, also providing CPD for teaching staff and professionals relating to our children with additional needs, such as Educational Psychologists and Child Action North-West – an intervention support group. Changes to these bought in services have occurred where their impact was viewed as ineffective or lacking value for money. Alternative, more effective, services have been sought and utilised accordingly. In the case of IT this has proven to be having a positive impact on teaching and learning in this area of the curriculum. Instrumental lessons, which in the past have been part funded, now have to be paid for by parents. In terms of value for money this was no longer viewed as a viable service due to the cost and limited number of children benefiting from this.
- Developing an effective tracking system in relation to the new curriculum and 'assessment without levels'. Every child is assessed on entry to school, using both internal and external measures. These are moderated and used to track children's progress through the Foundation Stage and then into key stage 1. Targeted interventions, alongside carefully planned, differentiated and assessed teaching sessions, ensure each child is given the best opportunity to make expected, or more than expected progress in their time through school from entry to reception to the end of key stage 2. As a result standards of attainment at the end of KS2 are above national average. We track attendance and carefully monitor behaviour of all children. We work to ensure attendance is as high as possible, developing strategies to actively pursue this aim.
- Monitoring the spending of pupil premium monies, measuring impact and effectiveness on improving the attainment for these children concerned and ensuring opportunities are available to them, as with other children. Money is allocated to ensure these children do not miss out on school trips and extra-curricular clubs, which otherwise incur a charge. The use of this grant is shared with governors and published on our school's website.

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 Clayton-le-Moors All Saints' Church of England Primary School for the period 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 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 have been in place for the period 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 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,
- meetings with the Chair of Finance, outside of finance and building committee meetings, to discuss and review reports and provide budget/cashflow updates,
- regular reviews by the finance and buildings 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,
- regular monitoring of cashflow and related spending.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Mrs Judy Entwistle as internal auditor. The first audit was undertaken in autumn 2015 and her findings were shared with the board of trustees and senior leadership team.

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

Governance Statement *(continued)*

For the Year Ended 31 August 2015

- scrutiny of existing practice relating to income, procurement, payroll, cash and asset management and VAT
- an evaluation of the academy's performance against some of the legal requirements and good practice recommendations

On a termly basis, the auditor reports to the board of trustees, through the finance and buildings committee on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities

The academy trust confirms that the internal auditor has delivered their schedule of work as planned, in line with the EFAs requirements, and that no material control issues arising as a result of the internal auditor's work have been identified

Review of Effectiveness

As accounting officer the Acting Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

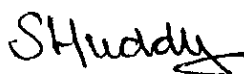
- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and buildings 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 16 December 2015 and signed on its behalf by



Mrs L Turner
Chairman



Mrs S Huddy
Acting Accounting Officer

Clayton-le-Moors All Saints' Church of England Primary School

Statement on Regularity, Propriety and Compliance

For the Year Ended 31 August 2015

As accounting officer of Clayton-le-Moors All Saints' Church of England 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 for Education. 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. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



Mrs S Huddy
Acting Accounting Officer
Date 16 December 2015

Statement of Trustees' Responsibilities

For the Year Ended 31 August 2015

The trustees (who act as governors of Clayton-le-Moors All Saints' Church of England 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 published 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
- make judgements 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 on 16 December 2015 and signed on its behalf by


Mrs L Turner
Chairman

Independent Auditor's Report on the Financial Statements to the Members of Clayton-le-Moors All Saints' Church of England Primary School

For the Year Ended 31 August 2015

We have audited the financial statements of Clayton-le-Moors All Saints' Church of England Primary School 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 Accountancy Practice) and the Annual Accounts Direction 2014 to 2015 issued by EFA.

The report is made solely to the company'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 company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 22, the trustees (who 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.

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 (APB'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 charitable company'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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

For the Year Ended 31 August 2015

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs 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,
- have been prepared in accordance with the requirements of the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA

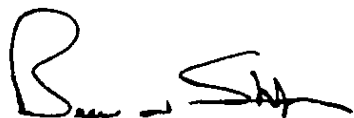
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the incorporated strategic report for the period for which the financial statements are prepared is consistent with the financial statements

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

- the academy trust has not kept adequate accounting records, 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



Graham Wilson BA FCA
Senior Statutory Auditor

For and on behalf of
Beever and Struthers
Chartered Accountants & Statutory Auditor

Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

Date 16 December 2015

Independent Reporting Accountant's Assurance Report on Regularity to Clayton-le-Moors All Saints' Church of England Primary School and the Education Funding Agency

For the Year Ended 31 August 2015

In accordance with the terms of our engagement letter dated 12 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Clayton-le-Moors All Saints' Church of England Primary School during the period 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 Clayton-le-Moors All Saints' Church of England Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Clayton-le-Moors All Saints' Church of England Primary School 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 Clayton-le-Moors All Saints' Church of England Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Clayton-le-Moors All Saints' Church of England Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Clayton-le-Moors All Saints' Church of England Primary School's funding agreement with the Secretary of State for Education dated 1 November 2011 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 period 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.

**Independent Reporting Accountant's Assurance Report on Regularity to Clayton-le-Moors
All Saints' Church of England Primary School and the Education Funding Agency (continued)**

For the Year Ended 31 August 2015

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.

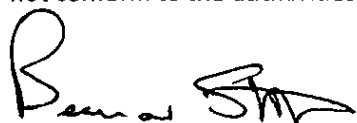
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- Review that the activities of the academy trust are in keeping with the academy trust's framework and charitable objectives, and
- Testing undertaken on a sample basis to review whether the academy trust's expenditure is in accordance with the Funding Agreement, and
- Other testing in accordance with the guidance issued in the Academies Accounts Direction 2014 to 2015.

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 1 September 2014 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.



**Graham Wilson BA FCA
Senior Statutory Auditor**

**For and on behalf of
Beever and Struthers
Chartered Accountants & Statutory Auditor**

**Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP**

Date 16 December 2015

Clayton-le-Moors All Saints' Church of England Primary School

Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

For the Year Ended 31 August 2015

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming resources						
<i>Incoming resources from generating funds</i>						
Voluntary income	2	3,091	4,797	-	7,888	20,007
Activities for generating funds	3	8,890	-	-	8,890	16,361
Investment income	4	118	-	-	118	82
<i>Incoming resources from charitable activities</i>						
Funding for the academy trust's educational operations	5	49,511	1,131,476	7,128	1,188,115	1,084,289
Total incoming resources		61,610	1,136,273	7,128	1,205,011	1,120,739
Resources expended						
<i>Costs of generating funds</i>						
Costs of generating voluntary income		-	(1,925)	-	(1,925)	-
Fundraising trading		(3,167)	-	-	(3,167)	-
<i>Charitable activities</i>						
Academy trust educational operations	7	(49,639)	(1,080,949)	(125,858)	(1,256,446)	(1,206,420)
Governance costs	8	-	(11,534)	-	(11,534)	(13,491)
Total resources expended	6	(52,806)	(1,094,408)	(125,858)	(1,273,072)	(1,219,911)
Net incoming/(outgoing) resources before transfers						
		8,804	41,865	(118,730)	(68,061)	(99,172)
Gross transfers between funds	16	-	(5,429)	5,429	-	-
Net income/(expenditure) for the year		8,804	36,436	(113,301)	(68,061)	(99,172)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	16, 24	-	(2,000)	-	(2,000)	(53,000)
Net movement in funds		8,804	34,436	(113,301)	(70,061)	(152,172)
Reconciliation of funds						
Total funds brought forward at 1 September 2014	16	11,811	(417,505)	1,189,588	783,894	936,066
Total funds carried forward at 31 August 2015		20,615	(383,069)	1,076,287	713,833	783,894

All of the academy trust's activities derive from continuing activities during the above two financial periods

Clayton-le-Moors All Saints' Church of England Primary School

Balance Sheet

As at 31 August 2015

Company registration number: 07770605

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	12		1,076,287		1,189,588
Current assets					
Debtors	13	20,369		19,031	
Cash at bank and in hand		46,111		27,114	
		<u>66,480</u>		<u>46,145</u>	
Liabilities					
Creditors Amounts falling due within one year	14	<u>(62,342)</u>		<u>(83,805)</u>	
Net current assets/(liabilities)			<u>4,138</u>		<u>(37,660)</u>
Total assets less current liabilities			<u>1,080,425</u>		<u>1,151,928</u>
Creditors Amounts falling due after more than one year	15		<u>(24,592)</u>		<u>(43,034)</u>
Net assets excluding pension liability			<u>1,055,833</u>		<u>1,108,894</u>
Pension scheme liability	24		<u>(342,000)</u>		<u>(325,000)</u>
Net assets including pension liability			<u>713,833</u>		<u>783,894</u>
Funds of the academy trust					
Restricted funds					
Fixed asset fund	16	1,076,287		1,189,588	
General fund	16	(41,069)		(92,505)	
Pension reserve	16	<u>(342,000)</u>		<u>(325,000)</u>	
Total restricted funds			<u>693,218</u>		<u>772,083</u>
Unrestricted income funds	16				
General fund		<u>20,615</u>		<u>11,811</u>	
Total unrestricted funds			<u>20,615</u>		<u>11,811</u>
Total funds			<u>713,833</u>		<u>783,894</u>


Clayton-le-Moors All Saints' Church of England Primary School

Balance Sheet *(continued)*

As at 31 August 2015

Company registration number: 07770605

The financial statements on pages 27 to 49 were approved by the trustees, and authorised for issue on 16 December 2015 and are signed on their behalf by


Mrs L Turner
Chairman

Clayton-le-Moors All Saints' Church of England Primary School

Cash Flow Statement

For the year ended 31 August 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	19	24,308	27,550
Return on investments and servicing of finance	20	118	82
Capital expenditure and financial management	21	(5,429)	(8,819)
Increase in cash in the year	22	18,997	18,813
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		27,114	8,301
Net funds at 31 August 2015		46,111	27,114

Notes to the Financial Statements

For the year ended 31 August 2015

1. Statement of 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 2014 to 2015 issued by 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.

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.

The trustees acknowledge the deficit arising on general restricted funds of £383,069. Further analysis, as shown in note 16, identifies that the deficit primarily arises from the deficit on the Local Government Pension Scheme of £342,000. This deficit will be financed through ongoing contributions at the rates agreed with the Scheme Actuary and these are made from the General Annual Grant (GAG) and are included in the financial forecasts.

The deficit arising on the GAG fund is following the recognition, on conversion, of the deficit on the predecessor school of £99,484. £43,034 of this is outstanding at the period end but the financial forecasts show planned repayment of this amount by December 2017 in line with the agreed repayment plan.

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 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.

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

- **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 goods, facilities and services**
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 accounting policies

Resources expended

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

- **Costs of Generating Funds**
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 include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses

All resources expended are stated net of recoverable VAT

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of any depreciation and any provision for impairment

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets, 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 land | Over life of lease (125 years) |
| • Long leasehold buildings | 5% straight line |
| • Furniture and equipment | 20% straight line |
| • Computer equipment | 20% straight line |

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 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 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.

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 the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note O, 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.

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

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 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 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 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

2. Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Other donations	3,091	4,797	7,888	20,007
	<u>3,091</u>	<u>4,797</u>	<u>7,888</u>	<u>20,007</u>

3. Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Hiring of facilities	1,435	-	1,435	2,242
Music lessons and instrument sales	2,549	-	2,549	-
Other income	4,906	-	4,906	-
School fund income	-	-	-	14,119
	<u>8,890</u>	<u>-</u>	<u>8,890</u>	<u>16,361</u>

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

4. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Short term deposits	118	-	118	82
	<u>118</u>	<u>-</u>	<u>118</u>	<u>82</u>

5. Funding for the Academy Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
DfE/EFA grants				
General Annual Grant (GAG)	-	980,059	980,059	1,013,995
Capital grant	-	7,128	7,128	7,161
Other DfE/EFA grants	-	114,717	114,717	9,805
	<u>-</u>	<u>1,101,904</u>	<u>1,101,904</u>	<u>1,030,961</u>
Other Government grants				
GL Assessment grant	-	1,359	1,359	-
	<u>-</u>	<u>1,359</u>	<u>1,359</u>	<u>-</u>
Other income				
Catering income	30,604	-	30,604	39,691
Insurance claim	-	13,790	13,790	9,259
School trips	16,506	-	16,506	-
Funding for student placements	-	18,400	18,400	-
Music income	-	-	-	3,375
Other income	2,401	3,151	5,552	1,003
	<u>49,511</u>	<u>35,341</u>	<u>84,852</u>	<u>53,328</u>
	<u>49,511</u>	<u>1,138,604</u>	<u>1,188,115</u>	<u>1,084,289</u>

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

6. Resources expended

	Staff Costs £	Non Pay Expenditure Premises £	Other £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	-	-	1,925	1,925	-
Costs of activities for generating funds	-	-	3,167	3,167	1,057
Academy's educational operations					
Direct costs	748,585	125,858	38,348	912,791	904,492
Allocated support costs	167,623	69,270	106,762	343,655	300,871
	<u>916,208</u>	<u>195,128</u>	<u>150,202</u>	<u>1,261,538</u>	<u>1,206,420</u>
Governance costs including allocated support costs	-	-	11,534	11,534	13,491
	<u>916,208</u>	<u>195,128</u>	<u>161,736</u>	<u>1,273,072</u>	<u>1,219,911</u>

Net income/(expenditure) for the period includes

	2015 £	2014 £
Operating leases		
- plant and machinery	9,154	5,993
Fees payable to auditor for		
- audit	3,000	3,000
- other services	4,035	4,740
- depreciation	<u>125,858</u>	<u>121,286</u>

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

7. Charitable activities – educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	748,585	748,585	734,764
Depreciation	-	125,858	125,858	121,286
Technology costs	-	5,222	5,222	5,972
Educational supplies	-	23,946	23,946	36,092
Staff development	-	5,995	5,995	6,378
Other direct costs	-	3,185	3,185	1,057
	-	912,791	912,791	905,549
Support costs				
Support staff costs	15,076	152,547	167,623	127,016
Net interest on pension scheme liability	-	-	-	10,000
Technology costs	-	1,514	1,514	410
Recruitment and support	-	267	267	100
Maintenance of premises and equipment	-	17,734	17,734	13,605
Cleaning	-	3,195	3,195	4,333
Rent & rates	-	12,458	12,458	13,227
Energy costs	-	23,768	23,768	24,137
Insurance	-	17,121	17,121	18,746
Security and transport	-	25	25	18
Catering	15,528	13,332	28,860	20,801
Bank interest and charges	-	146	146	96
Other support costs	19,035	51,909	70,944	68,382
	49,639	294,016	343,655	300,871
Total direct and support costs	49,639	1,206,807	1,256,446	1,206,420

8. Governance Costs

	2015 £	2014 £
Legal and professional fees	2,089	1,437
Auditor's remuneration		
- Audit of financial statements	3,000	3,000
- Accounting services	4,035	4,740
Support staff costs	2,410	4,314
	11,534	13,491

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

9. Staff

a) Staff costs

Staff costs during the period were

	Total 2015 £	Total 2014 £
Wages and salaries	748,491	703,243
Social security costs	40,018	44,748
Operating costs of defined benefit pension schemes	121,083	107,841
	<u>909,592</u>	<u>855,832</u>
Supply staff costs	6,616	15,948
	<u>916,208</u>	<u>871,780</u>

b) Staff numbers

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

	2015 No.	2014 No.
Charitable activities		
Teachers	15	16
Administration and support	16	7
Management	4	4
	<u>35</u>	<u>27</u>

The average number of employees calculated in accordance with the Companies Act 2006 requirements is not materially different from that above

c) Higher paid staff

There were no employees paid during the year whose emoluments exceeded £60,000

10. Related Party Transactions - Trustees' remuneration and expenses

The headteacher and other staff, who are staff trustees, have been paid remuneration or have received other benefits from an employment with the academy trust. The headteacher and other staff only receive remuneration in respect of services they provide undertaking their roles of headteacher or staff under their contract of employment, and not in respect of their role as trustee. The value of the trustees' remuneration and other benefits was as follows

I Spencer (headteacher and trustee)

Remuneration £55,000 - £60,000 (2014 £65,000-£70,000)

Employer's pension contributions £5,000 - £10,000 (2014 £5,000- £10,000)

G Clarkson nee Tolson (staff member and trustee) – resigned 23 February 2015

Remuneration £Nil - £5,000 (2014 £5,000-£10,000)

Employer's pension contributions £Nil - £5,000 (2014 £Nil - £5,000)

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

A Williams (staff member and trustee)

Remuneration £35,000 - £40,000 (2014 £35,000-£40,000)

Employer's pension contributions £5,000 - £10,000 (2014 £5,000 - £10,000)

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

11. 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 providers cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost, and the individual premium is not separately identifiable for this year or last.

12. Tangible Fixed Assets

	Long Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2014	1,076,003	379,462	24,592	1,480,057
Additions	-	-	12,557	12,557
At 31 August 2015	1,076,003	379,462	37,149	1,492,614
Depreciation				
At 1 September 2014	86,544	201,240	2,685	290,469
Charged in year	43,272	75,892	6,694	125,858
At 31 August 2015	129,816	277,132	9,379	416,327
Net book values				
At 31 August 2015	946,187	102,330	27,770	1,076,287
At 31 August 2014	989,459	178,222	21,907	1,189,588

13. Debtors

	2015 £	2014 £
Trade debtors	35	140
VAT recoverable	2,328	5,760
Prepayments and accrued income	18,006	13,131
	20,369	19,031

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

14. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	-	5,019
EFA creditor abatement of GAG	18,442	18,442
Accruals and deferred income	43,900	60,344
	<u>62,342</u>	<u>83,805</u>

	2015
	£
Deferred income	
Deferred income at 1 September 2014	26,552
Resources deferred in the year	30,442
Amounts released from previous years	(26,552)
Deferred income at 31 August 2015	<u>30,442</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals and other funds received as agent such as fundraising income

15 Creditors: amounts falling due in greater than one year

	2015	2014
	£	£
EFA creditor abatement of GAG	24,592	43,034
	<u>24,592</u>	<u>43,034</u>

The EFA creditor comprises the balance of the deficit arising on conversion of the Academy Trust, payable to LCC. These amounts will be recovered through the Academy Trust's GAG funding in future years.

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

16. Funds

	Balance at 31 August 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds					
Voluntary income	-	4,797	(4,797)	-	-
General Annual Grant (GAG)	(92,505)	980,059	(923,194)	(5,429)	(41,069)
Other DfE/EFA grants	-	114,717	(114,717)	-	-
Other Government grants	-	1,359	(1,359)	-	-
Other income	-	35,341	(35,341)	-	-
Pension reserve	(325,000)	-	(15,000)	(2,000)	(342,000)
	(417,505)	1,136,273	(1,094,408)	(7,429)	(383,069)
Restricted fixed asset funds					
Transfer from former school	1,162,995	-	(125,858)	-	1,037,137
DfE/EFA capital grants	-	7,128	-	-	7,128
Capital expenditure from GAG	26,593	-	-	5,429	32,022
	1,189,588	7,128	(125,858)	5,429	1,076,287
Total restricted funds	772,083	1,143,401	(1,220,266)	(2,000)	693,218
Unrestricted funds					
Unrestricted funds	11,811	61,610	(52,806)	-	20,615
Total unrestricted funds	11,811	61,610	(52,806)	-	20,615
Total funds	783,894	1,205,011	(1,273,072)	(2,000)	713,833

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

- Voluntary income arises from donations from members of the public, teachers, parents, pupils and the PTFA. Depending upon whether these donations are restricted will determine their application within the school budget
- General Annual Grant (GAG) is the funding grant received from the DfE/EFA to fund the school's mainstream day-to-day activities
- Other DfE/EFA grants included grants received for specific purposes including the provision of free school meals for those pupils that qualify, pupil premium grant, rates and insurance grants
- Other income predominantly relates to monies received from parents for the provision of school meals to pupils who do not qualify for free school meals
- DfE/EFA capital grants are received for the specific purpose of maintaining the upkeep of the school buildings
- Unrestricted funds arise from other fundraising activities and extra-curricular school activities

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

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

The trust is carrying a net deficit of £41,069 on restricted general funds (excluding pension reserve) plus unrestricted funds because on conversion the academy trust took on a deficit of £99,484 from its predecessor school which it expects to recover out of future GAG. The trust is taking the following action to return these funds to surplus

- Reducing overall costs to a level where there are sufficient funds to be able to repay the opening deficit using the annual GAG in stages authorised by the EFA

17. Analysis of Net Assets between funds

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	1,076,287	1,076,287
Current assets	20,615	45,865	-	66,480
Current liabilities	-	(62,342)	-	(62,342)
Non-current liabilities	-	(24,592)	-	(24,592)
Pension scheme liability	-	(342,000)	-	(342,000)
Total net assets	20,615	(383,069)	1,076,287	713,127

18. Financial commitments

Operating leases

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

	2015 £	2014 £
Other		
Expiring within one year	1,677	813
Expiring within two and five years inclusive	6,914	7,424
	8,591	8,237

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

19. Reconciliation of net income to net cash inflow from operating activities

	2015	2014
	£	£
Net expenditure	(68,061)	(99,172)
Depreciation (note 12)	125,858	121,286
Capital grants from DfE and other capital income	(7,128)	(7,161)
Interest receivable (note 4)	(118)	(82)
FRS 17 pension cost less contributions payable (note 24)	4,000	-
FRS 17 pension finance income (note 24)	11,000	10,000
Decrease/(increase) in debtors	(1,338)	12,581
Increase/(decrease) in creditors	(39,905)	(9,902)
Net cash provided by Operating Activities	24,308	27,550

20. Returns on investments and servicing of finance

	2015	2014
	£	£
Interest received	118	82
Net cash inflow from returns on investment and servicing of finance	118	82

21 Capital expenditure and financial investment

	2015	2014
	£	£
Purchase of tangible fixed assets	(12,557)	(15,980)
Capital grants from DfE/EFA	7,128	7,161
Net cash outflow from capital expenditure and financial investment	(5,429)	(8,819)

22. Analysis of changes in net funds

	At 1 September 2014	Cash flows	At 31 August 2015
	£	£	£
Cash in hand and at bank	27,114	18,997	46,111
Total cash and cash equivalents	27,114	18,997	46,111

23. Members liability

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

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

24. Pension and similar obligations

The academy trust'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 Lancashire County Council Both are multi-employer 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 (TPS)

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

- 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

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

- 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 £64,792 (2014: £55,158).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £56,850 (2014: £54,826), of which employer's contributions totalled £42,483 (2014: £41,570) and employees' contributions totalled £14,367 (2014: £13,256). The agreed contribution rates for future years are 12.6 per cent for employers and between 5.8 and 8.5 per cent for employees.

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

The academy trust has reached an arrangement with Lancashire County Council to fund the deficit arising on the LGPS over a period agreed by the scheme actuary. These deficit payments are being funded through the General Annual Grant (GAG).

Principal actuarial assumptions

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.70%	3.70%
Rate of increase for pensions in payment/inflation	2.20%	2.20%
Discount rate for scheme liabilities	4.00%	4.00%
Inflation assumption (CPI)	2.20%	2.20%

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

Sensitivity Analysis	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3
		+0.1% p.a. discount rate	+0.1% p.a. inflation	1 year increase in life expectancy
	£000	£000	£000	£000
Liabilities	571	556	587	581
Assets	(229)	(229)	(229)	(229)
Deficit	342	327	358	352
Projected service cost for next year	46	44	48	47
Projected expected return on assets for next year	(14)	(14)	(14)	(14)
Projected interest cost for next year	24	24	25	24

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	22.9	22.8
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	25.1	25.0
Females	27.8	27.7

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

The academy trust'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 £000	Expected return at 31 August 2014	Fair value at 31 August 2014 £000
Equities	6.5%	78	7.0%	82
Government Bonds	2.5%	13	2.9%	-
Other Bonds	3.6%	6	3.8%	44
Property	6.1%	21	6.2%	16
Cash/liquidity	0.5%	3	0.5%	4
Other	6.5%	108	7.0%	19
Total market value of assets		229		165
Present value of scheme liabilities				
- Funded		(571)		(490)
Deficit in the scheme		(342)		(325)

The overall expected rate of return on plan assets of 5.92% (2014 5.74%) is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the following assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

The assumed investment return on government bonds is the yield on 20-year fixed interest gilts at the relevant date. As at 31 August 2015 this yield was 2.5% p.a.

The expected investment return on corporate bonds is based on market yields at the relevant date, although this will normally vary by duration, and the expected return should also take into account the risk of default in the corporate bond yield. As at 31 August 2015 we have taken the expected return as 3.6% p.a. which implies a reduction for the risk of default of 0.3% p.a. when compared with the corporate bond yield/discount rate appropriate to the "mature" deviation profile, for example.

It is generally accepted that the yield on equity investments will contain an "equity risk premium" in addition to the yield on Government bonds, which are perceived as the "least-risk" investment class, in order to compensate investors for the additional risk of holding this type of investment. Historical excess equity returns over more than 100 years have been approximately 4% p.a. on average. However, the level of equity risk premium can vary from time to time dependent on market levels and expectations for future returns. We have taken the overall expected return on equities as at 31 August 2015 as 6.5% p.a., implying an equity risk premium on equities of 4.0% p.a. over and above the gilt yield of 2.5% p.a.

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

Assumed returns on property are based on the expected long term returns on cash investments, plus a risk premium to allow for expected out-performance of property over cash, and an adjustment for the impact of the expected volatility of the returns

The actual return on scheme assets was £7,000 (2014 £10,000)

Amounts recognised in the statement of financial activities

	2015	2014
	£000	£000
Current service cost (net of employee contributions)	(46)	(41)
Past service cost	-	-
Total operating charge	<u>(46)</u>	<u>(41)</u>

Analysis of pension finance income/(costs)

	2015	2014
	£000	£000
Expected return on pension scheme assets	10	7
Interest on pension liabilities	<u>(21)</u>	<u>(17)</u>
Total operating charge	<u>(11)</u>	<u>(10)</u>

The actuarial gains and losses for the current year 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 £80,000 loss (2014 £78,000 loss)

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

	2015	2014
	£000	£000
At 1 September	490	366
Current service cost	46	41
Interest cost	21	17
Employee contributions	14	14
Actuarial loss	-	52
At 31 August	<u>571</u>	<u>490</u>

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

	2015	2014
	£000	£000
At 1 September	165	104
Expected return on assets	10	7
Actuarial gain/(loss)	(2)	(1)
Employer contributions	42	42
Employee contributions	14	13
At 31 August	<u>229</u>	<u>165</u>

Clayton-le-Moors All Saints' Church of England Primary School

Notes to the Financial Statements *(continued)*

For the year ended 31 August 2015

The estimated value of employer contributions for the year ended 31 August 2016 is £42,000

The four year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000	2012 £000
Present value of defined benefit obligations	(571)	(490)	(366)	(295)
Fair value of share of scheme assets	229	165	104	41
Deficit in the scheme	(342)	(325)	(262)	(254)
Experience adjustments on share of scheme assets				
Amount £000	(2)	(1)	5	-
Experience adjustments on scheme liabilities:				
Amount £000	-	(42)	-	-

25. Related party transactions

No related party transactions took place in the period of account